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THE JERUSALEM POST

Vol. LIV, No. 16155 Monday, March 3, 1986 • Adar 12, 5746 • Jomada Tani 22, 1406 NIS 0.62 (Est. NIS 0.53)

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Terror bid foiled in S. Lebanon

By MENAHEM HOROWITZ
and AVI HOFFMANN
Jerusalem Post Reporters

A terrorist was shot dead when his squad was intercepted by an Israeli Defence Forces patrol north of the South Lebanese security zone late Saturday night. The incident follows an infiltration attempt on Israel's northern border early on Saturday morning.

The earlier infiltration attempt, in which the terrorists succeeded in penetrating the electronic border fence, was financed and masterminded by Syria, military sources said last night. Two terrorists, dressed in IDF uniforms and carrying IDF-issue weapons, were killed after an army patrol had blocked their attempt to cross the border near Moshav Zar'it.

The Democratic Front for the Liberation of Palestine, which is supported by Syria, claimed responsibility saying a three-man terrorist squad had intended to take hostages in Israel.

The military source noted that Syria and Libya had recently stepped up arms shipments to Palestinian groups in Southern Lebanon. The source said the IDF and the South Lebanese Army had taken steps to curtail the effect of the strengthening of Palestinian positions in Sidon and Tyre. A report by the French press agency said that Syria named Mustapha Said to coordinate overall Palestinian operations in Southern Lebanon.

Saturday night's clash occurred when a unit of Golani soldiers spotted suspicious figures and opened fire near Majd al-Zune north of the security zone. One terrorist was killed. None of the soldiers was hurt. The soldiers later found an 82mm mortar, two Kalashnikov rifles and rocket-propelled grenades at the scene.

Chief of General Staff Rav-Aluf Moshe Levy, who toured the area, noted that despite the stepped-up infiltration attempts, the security zone was proving its worth. If the security zone did not exist at all these attacks would have had to be stopped at the border or even within Israel, he said.

Levy said he had ordered an investigation into the source of the IDF uniforms and weapons. It is assumed they were obtained during the IDF's incursion into Lebanon.

Outgoing IDF training chief raps cumbersome army

Post Defence Reporter

A sharp attack on the cumbersome approach that pervades some aspects of the Israel Defence Forces top command was delivered yesterday by the outgoing head of the IDF's Training Division, Aluf Yossi Peled called for more efficient decision-making and greater delegation of responsibility by the army's top brass. Peled, due to take up a senior position in the General Staff, told reporters that the IDF's command structure was becoming one of the most cumbersome in the world. "Peled attacked what he termed 'the squad-leader's (mem-kaf) mentality' among the top brass. This he defined as the compulsion by senior commanders to know and be involved in all aspects of their chain of command. They intervened in matters that should more properly be handled by subordinates. This led to information overload at the top. Peled, who handed over command of the Training Division to Aluf Yitzhak Mordechai on Friday, said he had instituted new procedures for training the IDF's top commanders.

Curfew again suspended; only a few mutineers at large

Egypt admits it planned longer conscripts' service

CAIRO. — An Egyptian official yesterday acknowledged that rumours that police conscripts would serve four years instead of three, which may have sparked last week's riots, were based on a planned decree to this effect.

Authorities had at first denied the rumours. The planned decree, according to an informed source, had been aimed at prolonging the compulsory service of recruits who had shown lack of discipline during their service.

The riots last Tuesday and Wednesday left 36 dead and 235 injured.

Authorities suspended the day-time curfew yesterday for a second straight day as military and other



Stockholm crowds gather to honour the memory of Swedish Prime Minister Olof Palme, assassinated on Saturday. (AFP telephoto)

Assassin had trailed Palme all evening

STOCKHOLM. — Grieving Swedes mourned their longtime Prime Minister Olof Palme in churches and streets yesterday, still gathering at the flower-covered site of his assassination in downtown Stockholm.

The heaps of flowers rose higher on the bloodstained cobblestone pavement. Candles burned amid the flowers, poems and written tributes to Palme, many penned in the language of immigrants to Sweden.

Nonplussed Swedish police said yesterday they still had no information about the assassin or his motive. But they reported that he had apparently trailed his victim all evening and then shot him with a powerful Smith and Wesson Magnum revolver loaded with a rare type of bullet. The murder weapon and the killer's cool escape raised speculation that he was a professional hit-man.

City police chief Hans Holmer said the murder weapon was one of the world's most powerful handguns and that the police were not excluding the possibility that an organization had carried out the assassination. But he said in a TV interview later, "The field is wide open for speculation."

Palme was shot from behind with the murderer not saying a word, while the prime minister and his wife, Lisbeth, were going home from a movie on Friday night.

Swedish arms experts said the ammunition was of a type used for hunting in some parts of the world,

but outlawed in Sweden. Holmer said the killer, described by witnesses as a dark-haired man in his late 30s, had apparently hidden his gun in a small wristbag and had trailed the Palmes from their flat in Stockholm's old town. He was wearing a blue windbreaker and a cap with ear-flaps, had run up a dark side-street and had bolted up a flight of steps to another street where no car could have followed him.

The murder evoked worldwide shock, bringing tributes from western, non-aligned and Communist leaders for the Swedish campaigner on disarmament, Third World and Gulf peace issues.

President Reagan, whose nation Palme had harshly criticized for its role in the Vietnam war, expressed deep sorrow "in the face of this senseless act of violence." The Kremlin praised him as "a well known fighter for peace." (AP, Reuters)

In Israel, Prime Minister Peres eulogized Palme at yesterday's cabinet meeting. He spoke of Palme's efforts on behalf of Soviet Jewry and noted that in his last conversation with the Swedish premier two months ago, Palme had evinced a more realistic attitude towards the PLO and had drawn closer to Israel.

Peres termed Palme a brilliant man who had been a leader in the fight against Nazism and Fascism and whose murder must evoke shock in the heart of everyone who believed in democracy.

Different kind of curfew

By ROBERT ROSENBERG
Jerusalem Post Reporter

NABLUS. — Black flags hung limply in the still air outside this town's City Hall yesterday a few metres from the white chalkmark marking the spot where Mayor Zaafar al-Masri was murdered by an assassin's bullet.

In almost 19 years of Israeli rule this intensely nationalistic city has seen dozens, if not hundreds, of army-imposed curfews. But the curfew that followed al-Masri's death was different.

Although it officially affected only the downtown area near the open market, most of the town's residents stayed at home behind barred doors and shuttered windows.

There were no rocks scattered across the streets, as is usual after a curfew has been imposed. Nor was there a sour, acrid smell of tear-gas in the air.

Most of the cars stopped at the roadblocks ringing the city of 100,000 were crowded with West Bankers coming to Nablus to pay their respects at the Masri home. Photographers and camera crews who searched the empty streets for pictures of soldiers or stone-throwing youngsters, found only the soldiers. The youngsters stayed far away, at home or deep inside the casbah from which the photographers were ordered out.

About 20 young men were rounded up and brought to a downtown traffic roundabout in the middle of the business district. They knelt, facing a wall, as a police investigator sprayed their hands with chemicals to check whether any of them had been handling weapons. All were released as the tests proved negative.

There was a flurry of excitement outside City Hall, when the chief of general staff's helicopter flew overhead, bringing Rav Aluf Moshe Levy to the city six hours after the murder. The chopper landed in a field between the military headquarters and the al-Masri home, where hundreds of men, mourning the slain mayor, filled the house and stood around the stone walls and terraces of the garden.

It was a self-imposed curfew, something rare in Nablus. Only outside of the city, amid villages surrounded by olive fields and groves of pink and white almond trees in full bloom, did one see people other than soldiers, journalists, or well-dressed mourners.

It was so quiet in Nablus yesterday that one could hear the beating wings of flocks of birds taking off from the rooftops as IDF soldiers climbed the steps to take up their look-out positions.

Jordan, Palestinians condemn murder Masri killing major blow to devolution proposals

By YEHUDA LITANI
JOSHUA BRILLIANT
BENNY MORRIS
Jerusalem Post Reporters

Yesterday's assassination of Nablus mayor Zaafar al-Masri, gunned down at the entrance to the West Bank town's municipality building, is a major setback in efforts to transfer more power to a local Palestinian leadership. West Bank opinion and Israeli security officials agree.

The main Palestinian rejectionist organizations have said they were responsible for the murder — the Syrian-backed Popular Front for the Liberation of Palestine, headed by George Habash, and Abu Nidal's faction.

Habash's group said in Damascus, that it had "carried out the death sentence against al-Masri for dealing with the Zionist-Jordanian plan aimed at liquidating the Palestine cause."

Abu Nidal's group in an anonymous phone call to the French news agency in Paris, said the assassination was a "warning to PLO leader Yasser Arafat and Jordan's King Hussein" and labelled al-Masri a "hired traitor."

Habash has political support in the West Bank as well as military capability. But Abu Nidal is believed by military sources to have a very limited local terrorist potential.

Officials said other organizations — such as the Democratic Front for the Liberation of Palestine, could also have been behind the murder.

The theory that the rejectionist front perpetrated the attack appears to be the most probable. Rejectionist organizations had opposed moves by West Bank residents to assume local responsibilities, a defence source said. They also oppose moderation and pragmatism — qualities which al-Masri represented.

The mayor was shot with a 7.65mm. revolver.

The security authorities last night still did not know who was behind the attack — though Chief of General Staff Rav Aluf Moshe Levy said he believed the killer belonged to the Palestinian rejectionist front.

In Amman, the Jordanian government and a senior PLO military official condemned the assassination as an act that served Israeli aims.

An official government spokesman in the Jordanian capital described the killing as a "new act of criminal terrorism directed against the Palestinian cause."

"The act serves designs to Judaize the occupied Arab territories and



Zaafar al-Masri (Fishman)

consolidate the Israeli occupation," said the statement, which described al-Masri as "a sincere man who devoted his life to the service of his town and its people."

"We condemn the assassination of brother Zaafar al-Masri, and this crime is in the service of the aims of the agents of Israel," said Khalil Wazir, chief military deputy to PLO chairman Arafat.

Wazir said the killing aided those "who want to divide the Palestinian people, when we are in need of unity...to face the conspiracies against the unity of our people."

Sheikh Abdel Hamid as-Sayeh, speaker of the Palestine National Council, said in Tunis that he was

Shock waves — Page two

shocked by the news of al-Masri's assassination. Monte Carlo radio reported yesterday. Sayeh added that all "righteous" people familiar with al-Masri's career would condemn "this criminal act."

Dr. Osmat Abdel Neguib, the Egyptian foreign minister, met in Cairo yesterday with the local PLO representative, Sa'id Kamal, and discussed al-Masri's assassination. Monte Carlo radio said last night.

Kamal, a member of the Palestine National Council, also discussed the killing with several PNC members in Cairo. He said afterwards that he considered the slaying a strike against the PLO.

Despite this condemnation by Wazir, generally known by his code-name Abu Jihad, the lone extreme elements within the PLO stand to gain from al-Masri's death.

In the wake of King Hussein's

dramatic speech 10 days ago, when he blamed the lack of political movement towards a Middle East settlement on Arafat, the PLO leader's supporters had managed to recruit the bulk of the West Bank population to their side and against the king's position.

The assassination of al-Masri, known as one of Hussein's strongest backers, seems to make it impossible for supporters of Hussein's line to take any fresh initiative without first taking into consideration PLO positions.

Some West Bank residents believe that Israeli determination to push on with the devolution of power in the territories, and frequent declarations to that effect by leading Israeli politicians may have proved counter-productive and have forced the radicals' hands.

If such a policy is to succeed, these West Bank sources say, it must be pursued discreetly and with less emphasis on possible political implications.

The general disgust in the West Bank at the murder appeared to cross political barriers, as the mayor was a well-liked personality.

Despite the reservations within the West Bank, cabinet sources predict a speeding up of Israeli efforts to begin transferring power for the civil administration to local leaders in the West Bank and Gaza.

The sources, speaking after yesterday morning's cabinet meeting, said that the assassination had left those ministers interested in implementing the autonomy idea with the feeling that they had better start moving or the extremists would feel that their strategy of intimidation was succeeding.

The sources said that political assassinations have never succeeded in halting historical processes, and that this applies here as well.

They said that the murder should not be linked to King Hussein's break with the PLO, but should be seen rather as another in a series of murders by rejectionist extremists directed against the mainstream PLO. The sources cited Fahd Kawasmeh's murder last year in Amman.

At yesterday's cabinet, Prime Minister Peres sent condolences to the al-Masri family and praised his work during his brief tenure as mayor. Peres said that the murder was "a blow to the inhabitants of the territories and to those who wish to see progress achieved towards understanding and calming the situation."

(Continued on Page 2, Col. 4)

Excess income tax payments — the country's best investment

By AVI TEMKIN
Post Economic Reporter

Overpaying on income tax is the best investment for firms and self-employed persons with large cash reserves. "Investing" in income tax yields a return 6 or 7 times larger than any comparable investment such as Tefes or Pakam.

Current income tax regulations say that firms and self-employed who have paid more income tax than is due will receive a refund consisting of the surplus payment plus annual interest of 60 per cent, or with an interest payment equal to full linkage to the rate of inflation plus an additional four per cent, whichever of the two is the larger.

These rates make overpayments on income tax the attraction of the month. The yield on short-term shekel deposits is 8 to 18 per cent.

The Treasury's efforts to get the public to "invest" in this new form of "deposit" were so successful that yesterday it reported that its revenue had increased by 30 per cent, and that it had absorbed some NIS 220 million from the public. This increase in income tax receipts was one of the reasons for the increase in government revenue for February.

Economic observers in Jerusalem pointed out that this development had stemmed from lack of coordination among the different economic bodies in the government and the Bank of Israel. They said that the private sector had always used income tax payments as a buffer against the prevailing monetary policy. When interest rates were high, firms delayed tax payments. When

(Continued on Page 2, Col. 4)

12-30% increase in price of new cars

By YITZHAK OKED

TEL AVIV. — A price increase ranging from 12 to 30 per cent on all new cars, effective yesterday, have been signed by the finance and transport ministers.

The price increases are intended to compensate importers for the rise in the value of foreign currency against the shekel since the price freeze on cars took effect last July.

But the importers remain dissatisfied. They maintain that the price rise does not even cover the higher prices set by the car manufacturers, much less increases in other expenses, such as shipping. They are also unhappy about the reimposition of the freeze following yesterday's price rises.

Dealers said yesterday that even with the new prices they are still losing some 10 per cent on every car they sell.

AN ANNOUNCEMENT OF PUBLIC INTEREST

Revolving Pakam

A New Concept in Short Term Deposits

Sums placed in Pakam short-term shekel deposits, for periods of from one to four weeks, can now be automatically renewed at Israel Discount Bank for additional identical periods. Your renewal instructions should specify one of the following two methods:

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Beer Sheva — 82, Hahistadrut St. (8.00 AM — 8.00 PM)
Ashdod — 12, Ben Gurion Blvd. (8.00 AM — 6.00 PM)
Rishon Le Zion — 87, Herzl St. (8.00 AM — 8.00 PM)

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FROM SUNDAY'S
The New York Times
WEEKLY REVIEW
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AMSTERDAM	-4	21	3	37	16	Cloudy
BRUSSELS	-4	21	3	37	16	Cloudy
GENEVA	-4	21	3	37	16	Cloudy
PARIS	-4	21	3	37	16	Cloudy
ROME	-4	21	3	37	16	Cloudy
VIENNA	-4	21	3	37	16	Cloudy
ZURICH	-4	21	3	37	16	Cloudy

For the latest weather conditions contact Swissair.

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THE WEATHER

Forecast: Partly cloudy.

	Yesterday's	Yesterday's	Today's
	High/Low	High/Low	High/Low
Jerusalem	41/16	41/16	41/16
Golan	41/16	41/16	41/16
Nabliya	41/16	41/16	41/16
Safed	41/16	41/16	41/16
Haifa	41/16	41/16	41/16
Tiberias	41/16	41/16	41/16
Nazareth	41/16	41/16	41/16
Afula	41/16	41/16	41/16
Shomron	41/16	41/16	41/16
Tel Aviv	41/16	41/16	41/16
B-G Airport	41/16	41/16	41/16
Jericho	41/16	41/16	41/16
Gaza	41/16	41/16	41/16
Beersheba	41/16	41/16	41/16
Eilat	41/16	41/16	41/16

SOCIAL & PERSONAL

A foundation for the advancement of arts in memory of Dr. Haim Gamzu, founder of the Tel Aviv Museum, was announced yesterday at a ceremony in Tel Aviv attended by MK Abba Eban, Tel Aviv mayor Shlomo Lahat, and museum director Marc Scheps.

Former chief magistrate of Tel Aviv dies at 82

Jerusalem Post Reporter
Tel Aviv's former chief magistrate, Judge Elazar Selikson, died yesterday aged 82.
Selikson joined the bench at Tel Aviv magistrature court in 1950, and was chief magistrate from 1962 until his retirement in 1973.

UK to hit at Syria's links with Abu Nidal

By JERRY LEWIS
Jerusalem Post Correspondent
LONDON. - Britain is expected to attack Syria's links with radical Palestinian terror groups, such as that led by Abu Nidal, when Syrian Foreign Minister Farouk al-Shara meets Foreign Secretary Sir Geoffrey Howe in London.
Al-Shara who arrives here for a two-day official visit today is also likely to hear of British concern about the treatment of Syrian Jews.
While the talks will concentrate on regional issues, especially the Arab-Israeli conflict and the situation in Lebanon, Howe will press Syria to cut its links with terror groups, emphasizing that they undermine Assad's credibility and his role in the peace process.
There is a special concern about a British journalist, Alex Collet, who was kidnapped by a Muslim group whilst working for UNRWA nearly a year ago.
The Foreign Office believes he was abducted by members of the Revolutionary Organization of Socialist Muslims, headed by Abu Nidal, which maintains offices in Damascus.
Collet's captors have made it known they will only consider his release when Britain agrees to free three Arab terrorists, members of the Abu Nidal terrorist squad, who shot Shlomo Argov, Israel's ambassador in London, in June, 1982.
Howe has been urged to discuss the plight of Syrian Jews and the treatment of Jewish hostages in Lebanon by the chairman of the Zionist Federation, Dr. Stephen Roth.

Hapoel Holon downs Maccabi Haifa, 95-70

Post Sports Reporter
Hapoel Holon broke away from a 21-21 tie in the first half, beat repeated challenges by Maccabi Haifa, and went on to win 95-70 in the third and deciding quarterfinal game of the national basketball league playoffs.
Holon was led by Desi Bar-Mor with 23 points and Cliff Pondexter with 19 points. Maccabi Haifa scored 21 points for Haifa.

TOMORROW - CIVIL DEFENCE EXERCISE IN EILAT AREA

Tomorrow, March 4, 1986, there will be a Civil Defence exercise in the Eilat area.
During the course of the exercise, sirens will be heard. In case of an actual alert, sirens will be sounded on an ascending/descending scale.

HOME AND FOREIGN NEWS

Once again - shock waves of assassination

By ROBERT ROSENBERG

Post Middle East Staff

NABLUS. - The funeral of Nablus Mayor Zafar al-Masri, at noon today, is expected to be the largest officially sanctioned gathering in the territories since 1967. Members of the mayor's family from Jordan will be present. The expected huge turnout reflects the strong reaction to the killing among leading citizens and rank-and-file residents.

The assassination sent shockwaves of fear and anger through the West Bank and brought condemnations from Israeli officials and leading Palestinians in the territories.

"He was a true nationalist who loved his town, and his tragic death, in the prime of his life, is a serious criminal act, which can only have an adverse effect on the peace process," said Elias Freij, the Jordanian mayor of Bethlehem.

Said Hanna Semiora, editor of the pro-PLO daily *Al-Fajr*: "Whoever is behind this should be caught and hanged." "Anyone who committed this act is serving the enemies of the Palestinian people," added Ibrahim Karara, deputy editor of the Jerusalem-based Palestine Press Service, which also supports the PLO.

The assassination had "spread fear" through the territories, said Fathi Fahmawi, head of the Jenin Chamber of Commerce, who had hoped to follow al-Masri's lead and turn his town's chamber into a municipal council to replace the military administration.

Chief of General Staff Moshe Levy, after a brief tour of the curfew city centre, said Israel would pursue al-Masri's assassins. He said the killing yesterday showed that "those who claim to represent the interests of the people make victims of those who are trying to do something for their people."

The U.S. Embassy in Tel Aviv condemned the assassination as "brutal and cowardly" saying al-Masri's killers "sought not only to end one life, but to threaten all men of good will who are committed to curbing the cycle of violence and advancing the cause of peace."

Civil Administration chief Aluf Mishne Ephraim Sneh, who reached the city about an hour after the 8:15 a.m. killing, said Israel's policy in the territories would not change as a result of the murder. Former milit-

ary governor Binyamin Ben-Eliezer mourned "the loss of a friend," and said that Israel should take immediate steps to "shore up the position of the moderates, like Zafar."

Prime Minister Peres sent his condolences to the al-Masri family.

Deputy Mayor Hafez Toukan, who owns a soap factory in town, was named temporary chairman of the 11-member town council. But Ezizat Alul, a council member, expressed doubt that a permanent replacement could be found for al-Masri.

The army imposed an official curfew on Nablus, but most of the usually bustling city streets were empty long before, as news of the killing spread quickly through the town.

But the curfew and search of homes in the area, as well as roadblocks around the town, are to remain in force until three hours before today's funeral.

At the home of Hikmet al-Masri, the slain mayor's brother, hundreds of leading Nablus residents and West Bank leaders gathered to join in the mourning. Family members said they expected relatives from Jordan and Europe to arrive for the funeral. Al-Masri's nephew, Jordanian Foreign Minister Taher al-Masri, is not likely to attend.

Among the mourners was septuagenarian Wasfi al-Masri, a former Jordanian Supreme Court judge in Jerusalem and a cousin of the fallen mayor. He said there had been no threats to the family or the mayor before the assassination. "He didn't want to be mayor. People pressed him and he sacrificed his business for it," said the judge.

After getting a green light from Amman and the PLO, Zafar al-Masri assumed his post in early January as the first Arab to be appointed mayor of a West Bank town since the early 1980s. With the exception of Bethlehem's Elias Freij, most other West Bank mayors were removed by the government several years ago for refusing to cooperate with the Israeli Civil Administration.

"The people are happy to see us back...they are now pleased to be running their own town again," al-Masri told *The Jerusalem Post* when he was appointed.

Al-Masri also said he hoped Nablus would become a precedent for other towns in the territories, but



Troops check the papers of youths in Nablus yesterday, shortly after the assassination of the town's mayor. (Rettner telephoto)

that he wanted to see municipal elections. "This is a temporary measure," he said of his appointment. "It is no substitute for new elections."

In an interview the mayor gave to West German television less than 24 hours before the killing, al-Masri said he knew of no threats to his person, and, according to the interviewer, Helmut Illert, seemed enthusiastic about his accomplishments in the brief period he had been mayor.

"I believe I have the confidence of the people," al-Masri told Illert.

The question on everybody's mind yesterday was how the shooting would affect a range of issues concerning the Jordanian-PLO dialogue, Israel's relations with Jordan and Prime Minister Peres's efforts to transfer civilian authority to the inhabitants of the administered territories' towns.

In recent weeks leaders of other towns have indicated they were looking for ways to take over from the military officers. But now, military sources said yesterday, echoing Jenin businessman Fahmawi, the local leadership in Jenin, al-Birah, Ramallah and Hebron might not want to take the risk.

There was some confidence expressed yesterday at the al-Masri home that the Israelis were serious in their effort to apprehend the killer. But in the back rooms, there was

also talk of revenge, said a family member.

"If the murderer is caught, then those who were behind him will become known," he said. "And when they are known, we will know what to do."

Other reactions last night from leading local Palestinian figures:

Bassam Shaka, the last Arab mayor of Nablus before al-Masri, said Israel would benefit from the killing. "We cannot dismiss the possibility that the occupation authorities bear responsibility - direct or indirect - for what happened to Zafar by encouraging splits in the Palestinian community."

"Israel," he continued, "may have used splits to work against the determination of our national life. If any Palestinian did it," he concluded, "he only helped the occupation."

Rashad al-Shawwa, the deposed mayor of Gaza, said al-Masri had been slain "by extreme elements who are known to be against changes in the territories and the steps taken by King Hussein...which they feel are not enough to solve the Palestinian problem."

Shawwa said he did not believe that Jordan's approval of al-Masri's appointment could have motivated the killing.

"I don't see any justification for what has been done," he said.

Shamir scores Assad for Golan statement

Post Diplomatic Correspondent

Foreign Minister Shamir yesterday took Syrian President Hafez Assad to task for his recent bellicose statements about the Golan Heights and Israel.

Shamir, speaking to a Dutch United Jewish Appeal delegation in Jerusalem, said that Assad would do well to remember the fate of Hitler, Eichmann and others who had sought the extinction of the Jewish people.

Shamir was responding to Assad's speech last week, in which the Syrian leader said that Syria would eventually retake the Golan Heights and make it the centre, not the periphery, of Syria - implying that Syria would go on to conquer territory to the west.

"We are on the Golan Heights and we're there to stay," said Shamir, adding that Israel was willing to discuss peace with all its neighbours. The Syrian regime, he said, spoke

of "strategic balance" but in fact sought military superiority over Israel. Assad "spews hatred for Israel" and threatened Israel's existence, he said.

Menahem Horowitz adds: Many Druse men who demonstrated during Prime Minister Peres's visit to Majd al-Shams last week, have fled their homes anticipating arrest. Police have left notices with their families calling the men for questioning.

So far, 38 Druse have been arrested in connection with the demonstration.

A delegation of Jewish-Arab Communist Party activists, led by Uzi Burstein, visited Majd al-Shams yesterday and told residents that their protest against the annexation of the Golan had been justified, and that Israel's desire for peace necessitated returning the Golan Heights to Syria.

IN THE CABINET Asher Wallfish

More static for radio and TV

Israel Broadcasting Authority budgetary anomalies were compounded yesterday when the cabinet failed to vote an increase in its budget for the current fiscal quarter of the fiscal year, requested after the original budget for that quarter failed to get the approval of the Knesset Finance Committee.

Ministers were deadlocked 10:10 on the IBA's request, which is tantamount to rejection. The increase was intended to bring the budget into line with the cost of living index, making it larger in nominal terms only.

Unlike other arms of government and state corporations or authorities, which cannot operate if their budgets are not approved by the statutory bodies, the IBA keeps on operating even without a budget, on the grounds that the Broadcasting Authority Law obliges it to keep transmitting.

The cabinet, aware that the Budget Law and the Broadcasting Authority Law contradict each other, suggested some weeks ago that Attorney-General Yitzhak Zamir reconcile the conflicting legislation.

But Zamir explained that amending the two laws would be a long and complicated process. He said it was preferable for the ministers and the senior officials involved to get together and ensure that the budget for the current quarter, plus the increase, were rushed through all the statutory stages of approval without delay.

Before the tied vote, Minister-without-Portfolio Yigal Hurvitz said the IBA should be closed down and all staff dismissed, after which they should be rehired selectively on personal contracts.

Religious Affairs Minister Yosef Burg said he was far from happy about the material broadcast by Israel TV, as well as about material which was not broadcast (this being a reference to the programme about intermarriage kept off the screen at the eleventh hour last week).

Justice Minister Moshe Nissim said that instead of the budget for the current quarter being increased, it should be cut by 10 per cent.

Prime Minister Peres said the cabinet should not waste time on demonstrative debate about the work of the IBA, but should either approve the budget or reject it.

For the past two years, the IBA has been a self-contained economic unit, in budgetary terms, since it gets all its revenues from licences and advertising and does not take any money out of the Treasury which was not first paid into the Treasury on the IBA account.

Greer Fay Cashman adds: IBA director-general Uri Porat last night told the IBA plenum that the IBA was out of the financial doldrums. After repaying a \$6 million debt to the Treasury and reducing its staff load by 90 people, the IBA finds itself towards the close of fiscal 1986/87 with a \$2m surplus, he said. The sum derives mostly from revenues from sponsorships of television programmes.

At this time last year, Porat recalled, the IBA was anticipating a \$12m deficit and had gone to the Treasury for a loan to pay salaries.

At least \$500,000 from the surplus will be set aside for use by the Israel TV drama department to fund original Israeli television productions, he said.

Racism incitement

A formula to dispel the doubts of the religious factions about the amendment to the Penal Code prohibiting publication of incitement to racism may be in sight, according to Justice Minister Moshe Nissim and Energy Minister Moshe Shahal, who coordinate liaison between the cabinet and the Knesset.

When Communications Minister Amnon Rubinstein asked yesterday in the cabinet why the amendment was being delayed in the Knesset, Nissim and Shahal said they had a solution to the problem.

At the eleventh hour last week the religious factions said the amendment must explicitly exclude any quotations from Jewish law and tradition, or else they would vote against it.

(Kach leader Meir Kahane laces his inflammatory anti-Arab abuse with biblical references and quasi-references.)

Nissim yesterday told Israel Radio

that he would not accept the demand of the religious parties that the amendment "grant Judaism an anti-racist certificate."

Nissim, an Orthodox Jew, is the son of a former Sephardi chief rabbi.

He said that what he and Shahal proposed was the inclusion of a clause stipulating that the law would prohibit statements or publications designed to provoke incitement to racism. Since the Bible, halacha, Jewish traditions and the prayer book were not designed to cause incitement, he said, there would be a clear distinction between those who quoted the sources for pious purposes, and those who quoted them to spread incitement as such.

Development towns

Two ministers who yesterday presented two different sets of proposals to ease the plight of the development towns, have been persuaded by Prime Minister Peres to get together at the earliest opportunity to form a joint proposal.

Economics Minister Gad Ya'acobi and Labour and Social Affairs Minister Moshe Katsav each presented material, but Peres said that any discrepancies could probably be reconciled during a tete-a-tete. He asked them to submit a joint proposal next week, if possible, and draft alternatives on any points on which they could not agree.

Ya'acobi also opened a debate on economic growth, which will continue next week.

Geula Cohen bill

Prime Minister Peres said yesterday that he expected all ministers and all coalition Knesset Members to be at the Knesset on Wednesday to vote against a private member's bill by Geula Cohen (Tehiya) calling for the application of Israeli law to Judea and Samaria.

Cohen's proposal should have come up last week. But it was deferred following a deal between the Likud and the Alignment which linked it to a motion by Yossi Sarid (Citizens Rights Movement) about the need for compromise in negotiating the future of the West Bank. The Sarid motion was also deferred.

Cohen hopes to win a few Likud hardliners over to her proposal.

A Likud minister expressed the hope in the cabinet that the same coalition whip which Peres sought to crack against the Cohen proposal would be cracked against the Sarid motion.

Peres said a legislative measure such as Cohen's was far more serious than a mere motion for the agenda and also flouted the national unity government's basic policy guidelines as laid down in writing before the coalition was set up.

Despite the Prime Minister's fervent appeal to his colleagues, Minister of Industry Ariel Sharon last night renewed his call for the application of Israeli law in the territories. Speaking at a political meeting in Netanya, Sharon said that would be the appropriate Israeli response to the fact that the Arabs were not at all interested in the autonomy idea which Israel had offered in the Camp David accords.

Minimum wage

The cabinet yesterday rejected a bid to set the minimum monthly salary at 45-50 per cent of the country's average wage.

Labour and Social Affairs Minister Moshe Katsav's proposal was removed from the agenda by a vote of 12 to four.

Finance Minister Moda'i said the government should not intervene in a matter which should be determined by labour accords.

Since 1964, minimum wages have been set by negotiations between the Histadrut and the Coordinating Bureau of Economic Organizations.

Katsav said that the minimum wage had fallen to below 30 per cent of the average pay packet in October. This was before the accord signed in December that brought the minimum wage in the private sector to a monthly gross NIS 315 from this month.

MK Ran Cohen's private member's bill on the same issue is to be on the Knesset agenda today. Sixty-two MKs from all parties have signed a petition in favour of the bill.

Rabbi raps pot for Purim

If the rabbi of Mazkeret Batya has his way, there will be no more smoking of any kind in his town on Purim - cigarettes, marijuana and stronger drugs have been banned in a ruling he released yesterday to the press.

Rabbi Ephraim Zalmanowitz cautioned the residents of his village near Rehovot that while the spirit of the holiday encourages people to step outside the bounds of conventional behaviour, nothing illegal should be done. Halacha thus permits men to dress up like women and vice-versa on Purim, conduct that is otherwise strongly prohibited. But under no circumstances, the rabbi said, is smoking marijuana or hashish to be permitted.

On the other hand, a Jew is encouraged to imbibe alcoholic drinks to the point where he can't tell the difference between "cursed be Haman" and "blessed be Mordechai."



Tourists who arrive in Eilat on direct flights from abroad are greeted with flowers, as part of a welcome campaign organized by the Ministry of Tourism. (IPPA)

West Bank detainees freed

By RON JOURARD

Jerusalem Post Reporter

Thirty-two persons held on administrative detention orders have been released in the West Bank over the last three days, civil administration sources told *The Jerusalem Post* yesterday.

By mid-March another 40 will be freed, leaving some 40 more still in detention, the sources said.

The detainees are being released because the periods fixed in their detention orders have elapsed. Most are held for six months, the maximum period allowable under the law.

Security authorities have decided to free the detainees, rather than seek renewal of the detention

orders, partly because of the relative quiet in the West Bank, "at least until today" said the sources, alluding to yesterday's murder of Nablus Mayor Zafar al-Masri.

The freed detainees all of whom were held at the Central Prison in Nablus were asked to sign an undertaking that they would not commit any more offences, the East Jerusalem Arabic daily *al-Kuds* wrote yesterday. Some refused to sign said the sources.

Explaining the refusal, *al-Kuds* said the detainees argued that they had not violated any law.

All detainees are men. Women, said the sources, are not placed under administrative detention.

Robbers never looked in victim's pocket

By YORAM GAZIT

For The Jerusalem Post

TEL AVIV. - Ya'acov Eliahin, a money-lender in his 80s, withdrew NIS134,000 from the bank last Wednesday and put the money in his pocket. That night, three masked men brutally attacked him and his wife Nadje, who refused to tell them that the money was still in his pocket.

Three Jaffa residents have been arrested on suspicion of assaulting

the couple and tearing off the woman's gold jewelry.

At about 10 p.m. last Wednesday night the light went out in the Eliahin's apartment. When Ya'acov went out to check the fuses, he was struck on the head with a pistol. Three masked men, one of them holding the pistol, pushed him back into the apartment.

The robbers then beat the couple and pushed the pistol into Nadje's mouth. Every time she gasped for breath they beat her on the head with the pistol. Meanwhile they continued beating her husband, until he fainted.

Nadje also fainted, but later managed to crawl to a neighbour to get help. The two were hospitalized in Jaffa's Wolfson Hospital with concussion and other injuries.

Solel Boneh report to Peres today

Jerusalem Post Economic Staff

Prime Minister Peres is today due to receive the final report on Solel Boneh which is expected to recommend massive dismissals of workers, sale of company assets worth \$100 million and short-term debt consolidation.

The report will be presented by a joint Treasury-Histadrut team led by the Treasury's budget department head Aaron Fogel. It is believed the report will recommend that the ailing Histadrut company should sell land and other assets in the Tel Aviv, Ashdod and Haifa areas worth some \$100 million.

Solel Boneh debts total some \$400 million of which some \$130 million are short-term debts. The company, according to some reports, will have to repay an additional \$100m. to \$120m. next year.

Roy Isacowitz adds: The heads of the Solel Boneh works committee are to oppose the recovery programme drawn up by the company's management when they meet today with Histadrut Secretary-General Yisrael Kassar and Trade Union Department chairman Haim Haberfeld.

Sources said last night that the works committee is particularly opposed to cutting the payroll by some 2,500 workers, and also opposes the terms being offered.

The workers themselves are split between the works committee representing mainly construction workers, headed by Shmuel Edelstein, and the newly established "umbrella committee," headed by Shmuel Ben-David of Haifa.

MASRIKILLING

(Continued from Page One)

Peres promised that the assassination would not deter the Israeli government from proposing "to the inhabitants of the territories that they manage their own affairs."

Peres asserted that Arab terrorism primarily harmed the Arabs themselves and "made their lives impossible." He promised that the government would do all in its power to bring the assailants to book.

But security officials dealing with the question first hand acknowledged that the murder was designed to deter moderate Palestinians from cooperation with Israel - and many West Bankers would no doubt heed the warning.

The head of the civil administration in Judea and Samaria Aluf Mishne Ephraim Sneh readily conceded it was "reasonable" to believe the murder was designed to deter people from cooperating with the authorities, and coordinator of activities in the administered territories Shmuel Goren estimated that "part of the population will certainly be more apprehensive."

In contrast to the mood at the cabinet, these sources believe the authorities would wait before pursuing some of their policies and let the atmosphere calm down. Some people who had been considered for certain jobs would not be approached in the immediate future for fear they might refuse.

Nevertheless Goren maintained he did not believe there was need for any "dramatic change" of policy.

"I don't think we have to change our policy, which is to help the majority of the residents to run their own lives as much as possible, and this is the line we should continue to follow," he said on Israel TV last night.

Israeli analysts had estimated that al-Masri was in danger.

"In the past two meetings I spoke to him about this," Goren said yesterday. "We knew that the terrorist organizations in particular were looking for him, waiting to jump on him, because his appointment bothered them."

"I offered him protection recently, I told him to think carefully whether he needed anything, that he should be careful. He was very self-confident," Goren continued.



John Demjanjuk is escorted yesterday into a Russian Compound courtroom, where his remand was extended for 15 days.

Demjanjuk: 'You have already found me guilty'

By BARBARA AMOYAL
For The Jerusalem Post

"It seems to me that you've already determined my guilt and that my punishment is certain to be death," John Demjanjuk told Jerusalem Magistrate Court Judge Aharon Simha yesterday at a hearing extending his remand.

Demjanjuk was extradited from the U.S. last week to face charges of Nazi war crimes against the Jewish people during World War II.

Simha told Demjanjuk that he would be tried fairly under the law on Nazis and Nazi collaborators, but, that if proven guilty, he was likely to be punished by death by hanging. Simha extended Demjanjuk's remand for 15 days, after hearing evidence presented to the court by assistant commander Alex Ish-Shalom, who is leading the investigation on Demjanjuk.

The prisoner was transported under heavy guard yesterday morning from his cell in Ayalon Prison at Ramle to the Russian Compound police headquarters in Jerusalem. At precisely 9 a.m., he entered the officer's lounge, which acted as a makeshift courtroom, dressed in the same brown suit he wore on arrival here on Friday.

Demjanjuk appeared relaxed and smiled politely at the dozens of photographers and at policemen who removed his handcuffs for the hearing.

Ish-Shalom, aided by Chief Superintendent Menahem Rusak and Dennis Goldman of the Justice Ministry's extradition department, presented Simha with some 12 files. The material, only a sample of that prepared by police investigators for Demjanjuk's trial - shows that the 66-year-old Demjanjuk was "Ivan the Terrible," the man who operated the gas chambers at the Treblinka concentration camp in Poland.

Ish-Shalom told the court he had

evidence that Demjanjuk had supervised the stripping of prisoners and the confiscation of their possessions, and had then personally led them into the gas chambers. "Unlike other camps in the Third Reich, where prisoners were put to work before being killed, the Treblinka camp was a death factory. Whoever arrived was killed the same day," Ish-Shalom told the court.

Ish-Shalom said that Demjanjuk was remembered by several witnesses as being particularly cruel. "Testimony in our hands shows that Demjanjuk personally initiated beatings and rapes."

Ish-Shalom's testimony was given in Hebrew and translated simultaneously into Ukrainian, Demjanjuk's native tongue. During the proceedings, the prisoner sat passively and stared at Ish-Shalom. But several times during the hearing, Demjanjuk looked down at his folded hands and shook his head at the charges being brought against him.

Asked if he had anything to say to the court, Demjanjuk stood up, ignored his interpreter and spoke directly to the court in heavily accented English. "I was never in the place you call Treblinka, and I never served the Nazis," he declared. "I myself was a prisoner of war. How can I transform a prisoner of war into a gas chamber operator? It is beyond me."

Demjanjuk insisted that documents linking him to the gas chamber operator had been forged by the KGB. "All I did was help my family in Russia. My wife visited there twice since the war and I sent packages often from my home in the U.S.," he said. Apparently they suspected my actions and decided to implicate me in the horrendous crimes described here today."

Demjanjuk's U.S. lawyer, Mark O'Connor, is to arrive in Israel in the next few days.

Project Renewal shrinks again

By CHARLES HOFFMAN
Jerusalem Post Reporter

The number of depressed neighborhoods to be rehabilitated through Project Renewal has again been scaled down, and stands at about 95, compared with the original target of 160 when the project was launched in 1977.

This emerged yesterday when Housing Minister David Levy spoke at a press conference marking an international conference on urban revitalization, which opens today at the Jerusalem Hilton Hotel. (See back page)

Levy said that the comprehensive project for physical and social rehabilitation would be complete once 10 to 12 depressed areas were added to the 84 neighborhoods and towns now in the project. He said that five or six new neighborhoods would

enter the project during the 1986/7 fiscal year and the remaining five or six by the end of the decade.

The original target of 160 neighborhoods was reduced to about 120 three years ago when project planners excluded areas that had begun to revive on their own or which were mixed business-residential areas.

Some 450,000 people lived in the 84 areas now in the project, and another 150,000 in the 40 or so areas that were to have been added at a later stage. About \$600 million has been spent on the project, \$400m. by the government and \$200m. by diaspora Jewry, through the Jewish Agency.

The project administrators said that massive investments in housing and physical infrastructure would not be made in neighborhoods beyond the 95 now on the list, be-

cause their needs were not as acute as those brought into the project earlier, and because of the limited resources of the government, which funded the vast majority of physical renewal programmes. But, they added, social programmes on a reduced scale would eventually be introduced in the areas to be excluded from the comprehensive renewal treatment.

Levy said that budgets for physical projects would rise by 20 per cent this year in the 84 neighborhoods. But he said that social programmes would be cut by about 15 per cent in most areas unless the Jewish Agency agreed to provide a special grant of \$5m. for this purpose, as it did two years ago when the government could not afford to pay for its share of social programmes in areas recently brought into the project.

Weizsaecker asks Jews to forgive anti-Semitism

DUISBURG. - West German President Richard von Weizsaecker yesterday asked Jews to forgive a recent spate of anti-Semitic remarks by West German officials.

In a speech to some 4,000 people in Duisburg, Weizsaecker said that recent anti-Semitic remarks in West Germany had wounded and disturbed Jews there and around the world.

"I ask for forgiveness from them. We cannot excuse these statements. They are irreconcilable with our view of people and democratic humanism, with history, and with the honour of our people," the president said.

He was speaking during the annual "Brotherhood Week," established in West Germany in 1951 to remind Germans of the need for reconciliation with the Jews.

The West German president warned of serious harm to West Germany's image abroad unless the anti-Jewish outbursts were checked. "The consequences for us... would be incalculable if our friends were to have to worry seriously about a resurgence of anti-Semitism," he said.

Two members of Bonn's ruling conservative parties, a parliamentarian and a town mayor, faced harsh public criticism recently after alluding to "rich and money-hungry Jews."

Last month, the Christian Democratic mayor of Korsebroich, Wilderich von Spee, resigned after an outcry over his remark to a public meeting that the city needed to kill a rich Jew to balance the budget.

In January, parliamentarian Hermann Fellner told a Cologne newspaper that Jewish requests for restitution for Nazi crimes left the impression that "Jews come running whenever money jingles in German cash boxes."

Fellner apologized for the remark. Chancellor Helmut Kohl denied in a parliamentary debate on Thursday that prejudice against the Jews was growing in Germany. But, Kohl said, the German people "must continue to learn from their past."

Truancy at one end, elitism at the other

By JOEL REBIBO
For The Jerusalem Post

The worsening economic situation and an "elitist" high-school system has led to a rise in truancy, according to a senior Education Ministry official.

"The majority of high schools have become elitist," Shimon Nehama, head of the pupils' division at the ministry, told *The Jerusalem Post* yesterday. "They are more concerned with turning out a high percentage of pupils who pass the matriculation exams than with helping weaker pupils."

Nehama said that the state of the economy had "definitely" resulted in an increase in truancy. Though ministry officials reported 9,000 pupils truant last year, Nehama suspects that many more cases were not spotted because the ministry is understaffed. "We must double the staff because there are at least 10,000 more truant pupils who need help," he said.

He noted that the drop-out rate, which had been 17 per cent in 1972, was 5-6 per cent in 1984. While truancy increased by only 0.5 per cent in the past year, officials are concerned that the rise indicates the beginning of a reversal in the trend.

Ministry officials count among the truant only pupils who they believe have been out of school for no legiti-

mate reason and who they think may continue to avoid school.

Among the reasons cited for truancy are family problems (44 per cent), social problems (25 per cent), behavioral problems (30 per cent) and academic problems (48 per cent).

According to Nehama, most truants tend to be pupils in eighth, ninth and 10th grades. The Mandatory Education Law requires that pupils remain in school until the end of the 10th grade or until reaching age 16.

Only 100 cases have been brought to court. "We use the courts only as a last resort, to scare parents into sending their children to school," he said.

Last week, a Jaffa man was sentenced to four months in jail for sending his nine- and 11-year-old children to work instead of to school. In his defence, the father, Amram Zariban, told the Tel Aviv court that the family could not survive without the children's income.

The judge ordered that the children be sent to a boarding school.

Dr. David Portowitz, director of the Jaffa Institute, which works with youth in Jaffa, described the problem there as "serious."

"The children are sent to sell things at the flea market," he said. "We have been working with families to convince them that school is the long-term solution to poverty. But it's a very long process."

Carmelit under repair

Jerusalem Post Reporter

HAIFA. - The Carmelit subway was closed down by the city yesterday for what it said are "routine repairs and to make it safer."

The subway, which carries 11,000 passengers a day, will remain closed for 10 days, the municipality's spokesman told *The Jerusalem Post*. The Transport Ministry last week ordered the Carmelit's immediate closure, contending that it was unsafe. The ministry rescinded its temporary operating licence and threatened not to renew the subway's permanent licence pending repairs. Mayor Arye Gurel has vehemently denied there was any danger.

Renegade nurses threaten sanctions in eight hospitals

By JUDY SIEGEL
Jerusalem Post Reporter

Nurses unhappy with their union's slow wage negotiations with their employers threaten partial strikes at eight hospitals around the country today, after working to a Shabbat schedule for 24 hours last week in three others.

Today, the nurses have said they will close outpatient clinics at 7 a.m. and cancel non-emergency operations. The eight hospitals are Hillel Yaffe in Hadassah, the government hospital in Nahariya, Barzilai in Ashdod, Wolfson in Holon, Assaf Harofe in Tzrifin, the geriatric hospital Beit Rivka in Petah Tikva, the Geha Psychiatric Hospital in Petah Tikva, and the psychiatric hospital in Sha'ar Menashe.

Last week's nurses' action at Beilinson, Sheba and Rambam Hospitals. But a group of Histadrut loyalists, who support the more pa-

tient tactics of the Nurses' Union, said yesterday that the renegade nurses were trying to frighten staffers into abiding by the sanctions.

The union called off a strike seven weeks ago at the last moment.

On Friday, the 45-day negotiation period then agreed to by the union, is to expire and the two sides are expected to submit the dispute or pay aid conditions to compulsory arbitration.

Top Histadrut officials, including Secretary-General Yisrael Kessar and trade union chairman Haim Haberfeld, tried yesterday to persuade the nurses to cancel their sanctions.

Kerem Padan, head of the Nurses' Union, told *The Jerusalem Post* that it was not within her powers to expel the striking nurses from her organization. "They are Histadrut members. What can I do?"

HOME NEWS IN BRIEF

Shapira on crash diet

Agudat Yisrael MK Avraham Shapira, who has embarked on a crash diet of fluids only, recently checked into Hadassah Hospital in Jerusalem to see if he would be able to stand up to the regimen.

Shapira, who lost five kilos last week, is hoping to take off 20 kilos. He is trying to maintain a normal schedule while visiting the hospital periodically for examinations. (Iim)

Moshav protest grows

NETUA (Iim). - Members of five northern Galilee moshavim blocked traffic on nearby roads yesterday morning, as Moshav Zart's demand for financial aid spread to four other settlements.

The demonstration, staged by members of Elkosh, Even Menahem, Shomra and Netua, as well as Zart, ended by the afternoon after police had persuaded the protesters to clear the roads.

Student film festival

Film and television schools from 20 countries are to participate in the International Student Film Festival at Tel Aviv University in June.

Each participating school may submit up to five films. Short films will be of up to 15 minutes long and long films up to 60 minutes. The first prize in each category is \$1,000.

Akim comes calling today

The annual nation-wide fundraising campaign of Akim, the Society for Mentally Handicapped Children, is to take place today.

The organization aims to collect \$500,000 - one-fifth of its annual budget for 1986. Some 70,000 schoolchildren and other volunteers will knock on doors today to ask for donations.

Last year Akim built four day-care centres for mentally handicapped children, two special kindergartens and a hostel in Dimona for 16 teenagers. It also cares for 400 people in dormitory institutions.

But 1,700 mentally handicapped persons of all ages are still waiting for facilities.

Indecent acts

TEL AVIV (Iim). - A 19-year-old soldier was remanded for 10 days by the Magistrates Court here on suspicion of committing indecent acts against girls aged from six to 12.

Police told the court that the man had committed the acts in the Herzliya area over the past three months. He had been in the habit of approaching the girls and accusing them of stealing. When they denied the charge, he had insisted on searching them, the court was told.

U.S. MDs push Medicare for retirees here

By JUDY SIEGEL
Jerusalem Post Reporter

A group of American Jewish doctors has devised a plan that could provide Medicare coverage for American pensioners in Israel. At present, the Social Security-funded medical insurance is available only to retirees in the U.S.

Dr. Gerald Kolodny, chief of nuclear medicine at Boston's Beth Israel hospital and an associate professor at Harvard Medical School, told *The Jerusalem Post* yesterday that 12,000 Americans in Israel receive Social Security payments, most of them pensioners. In the next decade, that number will likely double, he says.

Elderly U.S. immigrants must

now depend on health funds for their medical care, and many of them have difficulty joining the funds because of their advanced age. In addition, although they contributed to Social Security for many years, they are not entitled to enjoy the Medicare benefits accorded to pensioners still in the U.S.

A half-dozen Jewish physicians in the U.S. have set up a group called American Health Care in Israel (Rehov Struma 3, Haifa; 32 Commonwealth Park, Newton, Mass.) that is collecting the names and legal American addresses of U.S. citizens in Israel who are eligible for Social Security.

(A legal address is not only the

address where one has a residence. It can also be the last place where one lived and through which one casts an absentee ballot for U.S. elections from Israel.)

Recently, Medicare has encouraged health-service contractors, called "health maintenance organizations" (HMOs), to provide health care for retired members, with Social Security providing a monthly stipend for all those signed up. This, says Kolodny, has proved more efficient than the regular Medicare framework. Among the best-known HMOs are New York's Health Insurance Programme (HIP) and California's Kaiser organization, with one to five million members each.

There is no limitation on the provision of medical services to HMO members outside the U.S. Thus, if a member has an accident while travelling abroad, an HMO will reimburse the medical expenses, but a direct recipient of Medicare will not be reimbursed.

As soon as Kolodny's organization collects 3,000 names and legal U.S. addresses of Americans in Israel, it will negotiate with HMOs, who have already expressed interest in providing their medical services to Americans in Israel. Members must fulfill a residence qualification, but Kolodny says this is not a difficult requirement because most U.S. Jews in Israel originate from the New York, California and Chicago areas.

If established, the system will save Israel money, because it will obviate the need to subsidize the Americans'

health fund memberships. The system would also encourage retirees who fear aliyah because they worry about losing U.S. health insurance benefits, while the Medicare money would help provide work for U.S. physicians wanting to work here.

Kolodny's organization, which is receiving encouragement from the Association of Americans and Canadians in Israel (but not yet an official endorsement), will not be a health fund or insurance company. Thus the doctor believes he will not need to receive Health Ministry authorization. Arrangements will be made with American-trained English-speaking doctors here who will offer primary care to HMO members, send patients to specialists who have signed up, and refer them if necessary to hospitals that have agreed to take patients on a private basis.

Pensioners concerned about losing Kupat Holim benefits if the scheme doesn't last, says Kolodny, need not worry: his organization will pay the health fund fees of members who sign up within a "reasonable" time.

Americans in Israel can fill out a form, "without obligation," obtainable at offices of the AACI or the Haifa office of Kolodny's group. If a number of HMOs agree to the plan, they will sign up members in Israel directly.

Only Americans are eligible for the plan, says Kolodny, who plans eventual aliyah and whose daughter, a medical student at Harvard, also intends to settle here.

ENTERTAINING IN JERUSALEM

By Jeanne Weisgal

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2. THE MARKUS PRESIDENTIAL GARDEN-NURSERY IN MEVU'OT HERMON
3. The projected construction is a three-room Nursery on approximately 500 sq.m. Conditions of the tender as well as all other pertinent information can be obtained from Monday, March 3, 1986 from the Agency, 17 Kaplan Street, Tel Aviv, room 717, between 9:00 a.m.-12 noon, against a non-refundable deposit of NIS 250.
4. A special tour of the construction site for contractors will be held on Monday, March 17, 1986, departing at 8:30 a.m. from the Mevu'ot Hermon Regional Council offices.
5. Bids should be submitted not later than 1:00 p.m. on Wednesday, April 2, 1986, at the address mentioned in paragraph 1 above.
6. This tender is open only to contractors registered in accordance with the Act regarding Registration of Contractors for the execution of Engineering and Construction Works 1985, such contractors to abide by requirements of the Act and to be eligible to carry out the works as specified.
7. The Agency does not undertake to accept the lowest, or any other bid.

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Million people at Manila rally

Aquino dismantles Marcos edict, restores writ of habeas corpus

MANILA. — President Corazon Aquino, buoyed by another big show of public support, started dismantling the Marcos years yesterday but warned that the Philippines was not yet totally under control.

Up to one million people gathered in Manila's main park to hear Aquino issue what she said was the first proclamation of her government — the restoration of the writ of habeas corpus.

Suspension of the writ of habeas corpus, under which an accused must be presented in court, was one of many weapons which President Ferdinand Marcos, ousted six days ago, used to stifle dissent by alleged subversives and political dissidents.

Cheered wildly throughout a 25-minute speech, Aquino said she never felt prouder to be a Filipino. She paid tribute to "people power" which ended 20 years of Marcos rule last week.

She cautioned her followers not to let her government make the same "dictatorial mistakes" as Marcos and told them the task of rebuilding the nation had just started.

Aquino also said that all but four of 484 political prisoners jailed under Marcos "have been released or are in the process of being released."

The exceptions, aides said earlier, were four suspected leaders of the nation's Communist insurgency whose cases will be studied further.



Jose Maria Sison, reputed Philippine Communist Party leader, speaking to reporters in jail. He is one of four political prisoners who have not yet been released. (AFP telephoto)

because military officials raised objections to their automatic release.

As she spoke, Jose Maria Sison, jailed by Marcos as an alleged Communist Party leader, told reporters at the jail where he has been held for the past nine years that his followers would not lay down their arms until there were land reforms in the country.

But Sison said Aquino's popular

support was an "immediate problem" for the left in maintaining the rebel war it has fought for the past 15 years.

Asked if Communist rebels would renounce violence, he said: "Armed struggle is the democratic right of the people."

The new president also declared that her administration would bring to trial "those who have committed grave crimes against the people" during Marcos's reign.

In New York, a U.S. law firm retained by the new Aquino government is moving quickly to recover billions of dollars said to be misappropriated by Marcos.

"We are trying to act as promptly as possible in order that the assets and property will not be dissipated," said Severina Rivera, a lawyer assisting efforts to secure the return of a substantial fortune Marcos is accused of stealing during his rule.

In London, *The Mail on Sunday* said Marcos and his wife Imelda have an estimated £10 million of their fortune invested in real estate and art in Britain.

The assets were said to include a five-bedroom apartment overlooking Holland Park in West London, worth about £750,000, another West London home and a country house. Marcos and his wife sold another London house in exclusive Rutland Gate for £350,000, the newspaper said. (Reuter, AP)



A million people attended a "thanksgiving rally" in Manila yesterday for President Corazon Aquino who scrapped ex-President Marcos' law of detention without trial. (AFP telephoto)

FOREIGN NEWS IN BRIEF

Author of 'Gentleman's Agreement' dies

NEW YORK (Reuter). — Laura Hobson, author of *Gentleman's Agreement*, a pioneering novel on anti-Semitism in America, has died in hospital of cancer. She was 85.

A spokeswoman for New York Hospital said the writer, whose career spanned sixty years and included nine novels, hundreds of short stories and an autobiography, died on Friday night.

Hobson achieved fame with the publication in 1947 of *Gentleman's Agreement*, a portrait of insidious anti-Semitism in post-war America. It told the story of a gentle writer posing as a Jew to try to understand anti-Semitism first-hand for a magazine article.

China reports first bankruptcy since 1949

PEKING (Reuter). — A factory in the Shenyang will become the first firm to go bankrupt in China since 1949, the *Peking Review* magazine said yesterday. It said the factory, one of the three in Shenyang warned last August to put their houses in order, had failed to do so and was doomed to bankruptcy.

Bankruptcy is a sensitive topic in China, where the Communist government is committed to full employment. Official statistics issued on Friday list the number of city people "waiting for work" as 3.6 million.

5,000 km. anti-nuke march starts in U.S.

LOS ANGELES (Reuter). — About 1,200 anti-nuclear activists, many wearing flowers in their hair, set out yesterday on a cross-country peace march to back up their demands for global disarmament.

They left city hall on the first leg of a 5,000 kilometre trek to Washington after a rock-concert rally that included speeches of encouragement from Mayor Tom Bradley and actor Robert Blake, who is one of those marching. Wearing backpacks and supported by dozens of trailers carrying supplies and a mobile hospital, they sang a song called *Walking For Our Lives* as they headed toward the nearby campus of California State University.

Killing goes on in riots over Indian shrine

NEW DELHI (AP). — Two people were stabbed to death yesterday in continuing Hindu-Muslim rioting over the reopening of a disputed holy shrine in northern India, authorities said.

The violence erupted in Meerut after a two-day old curfew was relaxed. Dozens of people have been killed and hundreds injured in the past two weeks across central and northern India in riots and demonstrations triggered by the court-ordered reopening of a disputed shrine at Ayodhya in Uttar Pradesh State about 400 kilometres southwest of New Delhi. Moslems say the site is a historic mosque, while Hindus consider it an ancient temple to the god Lord Rama.

Police, pickets clash at Murdoch's print works

LONDON (Reuter). — Police and pickets clashed outside the London print works of international publisher Rupert Murdoch as thousands of demonstrators made a fresh attempt to block distribution of his two British Sunday newspapers.

Three policemen were hurt — one hit in the face by a snowball containing broken glass — and 32 pickets were arrested after several thousand people marched on the plant Saturday night.

A spokesman for Murdoch's News International Group said that all copies of *The Sunday Times* and *The News of the World* had been distributed although some had gone out late.

Bangladesh to hold elections next month

DACCA (AP). — Bangladesh military ruler President Gen. Hussain Muhammad Ershad yesterday announced that parliamentary elections will be held next month to end four years of martial law.

Ershad told the nation in an address over radio and television that the election commission would later announce a firm date and schedule for the polls. The elections are to be held under martial law, Ershad said.

Ershad, who came to power in a bloodless coup in March 1982, did not say when he will lift martial law. On earlier occasions, he said it would go on the day of the first session of the newly elected parliament.

CINEMAS

JER. SALEH 4.30, 7.9

Eden: White Nights 4.15, 6.45, 9.15; Edison: Death Wish III; Nakhla: Naked Face; Kfir: Rocky IV; Mithras: Ran 6.30, 9.30; Orly: Year of the Dragon 4.30, 7.30; Orly: Parole de Flic; Ron: The Lover; Semadar: Kaos 6.30, 9.15; Binyamin Ha'muna: When Father Was Away on Business 6.45, 9.15; Beit Agnon: Alice in Wonderland 4; Ronen and Juliet 5.30; The Godfather, Part I, 8.15, Kagemusha 11.30; Cinemascope: Tahan Pantin 7; Smithers 7.30; Brief Encounter 8.30; Metropolis 9.30

TEL AVIV 4.30, 7.15, 9.30

Alhambra: Naked Face 5.30, 8.30, 9.30; Beit Agnon: Night Night 11.15 p.m.; Beit Agnon: Tomboy; Cine 11: Year of the Dragon 4.15, 7.15, 9.15; Cine 2: American Flyer 5.30, 8.30, 9.15; Cine 3: Marie 5.30, 8.30, 9.15; Cine 4: Doin' Time 10.30, 1.30, 4.45, 7.20, 9.40; Cine 5: The Sure Thing 10.30, 1.30, 4.45, 7.20, 9.40; Cine 6: Back to the Future; Cine 7: When Night Falls; Dekat: White Nights 7.30; Drive-In: Birdy 7.15, 9.30; Sex film, 12 midnight; Esther: Red Sonja; Gai: Twice in a Lifetime; Gordons: Choose Me; Mod: Death Wish III; Law: Target 1.30, 4.30, 7.15, 9.30; Law II: Bonnie and Clyde 2.5, 7.30, 9.40; Limor: Hameleudesh: Prizzi's Honor 4.30, 7.30, 9.30; Command: Megarab: Silverado 4.30, 7.30, 9.30; Cine 8: The Company of Wolves 12.2, 4.30, 9.30; Peer: When Father Was Away on Business 4.15, 7.30, 9.30; She-haf: The Lover; Studio: Jagged Edge; Telat: Prizzi's Honor 4.30, 7.30, 9.30; Tel Aviv: Tel Aviv Museum: Favorites of the Moon; Zefon: Ran 6.15, 9.30; Israel Cinemascope: The River Fugate 7; Ruy: 9.30; Tamar: Hameleudesh: Clockwork Orange 6.45, 9.30

HAIFA 4.30, 6.45, 9

Amphitheatre: Naked Face 4.30, 7.30, 9.30; Aron: Red Sonja; Atzmon: The Key 4.30, 7.15, 9.15; Cine: Command: Moriah; closed; Orly: The Lover 4.30, 7.15, 9.15; Jagged Edge 6.45, 9.15; Peer: Prizzi's Honor 4.30, 7.15, 9.15; Ruy: Sex film, 12 midnight; Esther: Red Sonja; Gai: Twice in a Lifetime; Gordons: Choose Me; Mod: Death Wish III; Law: Target 1.30, 4.30, 7.15, 9.30; Law II: Bonnie and Clyde 2.5, 7.30, 9.40; Limor: Hameleudesh: Prizzi's Honor 4.30, 7.30, 9.30; Command: Megarab: Silverado 4.30, 7.30, 9.30; Cine 8: The Company of Wolves 12.2, 4.30, 9.30; Peer: When Father Was Away on Business 4.15, 7.30, 9.30; She-haf: The Lover; Studio: Jagged Edge; Telat: Prizzi's Honor 4.30, 7.30, 9.30; Tel Aviv: Tel Aviv Museum: Favorites of the Moon; Zefon: Ran 6.15, 9.30; Israel Cinemascope: The River Fugate 7; Ruy: 9.30; Tamar: Hameleudesh: Clockwork Orange 6.45, 9.30

RAMAT GAN

Armon: Red Sonja 5.15, 8.30, 9.30; Prizzi's Honor 7.30; Romancing the Stone 4.30; Orly: Year of the Dragon 4.30, 7.30, 9.30; Orly: Death Wish III, 7.15, 9.30; Ruy: Sex film, 12 midnight; Esther: Red Sonja; Gai: Twice in a Lifetime; Gordons: Choose Me; Mod: Death Wish III; Law: Target 1.30, 4.30, 7.15, 9.30; Law II: Bonnie and Clyde 2.5, 7.30, 9.40; Limor: Hameleudesh: Prizzi's Honor 4.30, 7.30, 9.30; Command: Megarab: Silverado 4.30, 7.30, 9.30; Cine 8: The Company of Wolves 12.2, 4.30, 9.30; Peer: When Father Was Away on Business 4.15, 7.30, 9.30; She-haf: The Lover; Studio: Jagged Edge; Telat: Prizzi's Honor 4.30, 7.30, 9.30; Tel Aviv: Tel Aviv Museum: Favorites of the Moon; Zefon: Ran 6.15, 9.30; Israel Cinemascope: The River Fugate 7; Ruy: 9.30; Tamar: Hameleudesh: Clockwork Orange 6.45, 9.30

HERZLIYA

David: The Falcon and The Snowman 4.30, 7.30, 9.30 (no Wed. pr.); Nakhla: The Lover 4.30, 7.15, 9.15; Tiferet: Command 4.30, 7.15, 9.15; Daniel: Moriah: Places in the Heart 7.15, 9.30

NOLON

Nighal: The Sure Thing 7.15, 9.30; Savy: Death Wish III, 4.30, 7.15, 9.30; Armon: Hameleudesh: Prizzi's Honor 4.30, 7.15, 9.30

BAT YAM

Atzmon: Rocky IV, 4.30, 7.15, 9.30

GIVATAYIM

Givati: Rocky IV, 4.30, 7.15, 9.30

RAMAT HASHARON

Kochav: Rumble Fish 9.30; Lady Hawk 7

DRIVE CAREFULLY

500 מיליון

Turkish oil tanker hit by warplanes in Gulf

BAHRAIN. — Five warplanes, apparently from Iran, bombed a Turkish tanker in the Gulf yesterday killing the ship's chief officer and injuring a crew member, shipping officials said.

Another report, by marine salvage experts, said the attack was by Iranian helicopter gunships.

The attack on the Atlas 1, headed for the Saudi Arabian oil terminal of Ras Tanurah, appeared to be a retaliation from Iran for four strikes in the past week by Iraq on tankers using Iranian ports.

The ship's chief officer was killed while another badly injured crew member was airlifted to the Qatari capital of Doha by the Qatar Air Force, sources said.

Meanwhile, on the warfront, advancing Iranian troops shelled the military garrison of Suleymaniyah in northeast Iraq, Iran's official news agency Irna, reported yesterday.

This is believed to be the first time that the environs of the city, the twin capital of Iraq's Kurdistan region, have come under artillery fire since the outbreak of the war 5½ years ago.

But Iraq's state-run, Baghdad Radio reported yesterday that Iraqi forces had launched a successful counter-attack in the Penjwin sector

of the front, 40 kilometres northeast of Suleymaniyah.

The radio said the Iranians suffered heavy losses in men and material during the Iraqi attack which was supported by an "immediate problem".

The rival claims could not be independently verified. Iran had reported on Saturday that its forces repulsed an Iraqi counter-attack in the Suleymaniyah front, advancing to capture another 20 Iraqi villages, raising the total since the launching of the Val-Fajr 9 operation to more than 70.

Iran has claimed its push into northeast Iraq has occupied more than 500 square kilometres of Iraqi territory.

Irna reported at the same time that anti-government Iraqi Kurds fighting against the Baghdad government, for autonomy, called on the population of the region to grasp the opportunity presented by the Iranian push to intensify their fight against the Iraqi government.

Both sides reported continuing fighting in the south around the Iraqi oil port of Faw, occupied by Iran at the beginning of its offensive.

Iraq said one of its three columns advancing on Faw "liberated several vital junctions opening new routes for a final victory."

SPORTS

Kathy whips Martina

OAKLAND, California (Reuter). — Unseeded Kathy Jordan handed world number one Martina Navratilova her first defeat since the U.S. Open last September to reach the final of the Women's Tennis Classic here.

Jordan's 5-7, 6-3, 7-6 victory took two hours 16 minutes and was the first time in 13 meetings she had beaten Navratilova. Jordan will meet fellow-American Chris Evert Lloyd in the final. Lloyd, the second seed, struggled before overcoming Helena Sukova of Czechoslovakia 7-5, 6-4 in a match lasting one hour and 40 minutes.

After her match with Navratilova, Jordan said: "I feel pretty good, I feel unbelievable. It's hard to describe. I was nervous, but not real bad, because I had everything to

gain and I had to look on it as an opportunity... to beat the number one player in the world. I came to the realization that the worst that could happen was that I could lose. But it's no disgrace to lose to somebody like Martina."

"Generally speaking, I played lousy," Navratilova said. "I don't want to take anything away from Kathy, though, because she played a really good match, physically and tactically. But I obviously was not at the top of my game."

In La Quinta, Joakim Myrstrom ousted second-seeded Jimmy Connors and Yannick Noah beat his Davis Cup teammate Thierry Tulasne to advance to the finals of the La Quinta Classic Tournament.

Nyström, the fifth seed, had a surprisingly easy time eliminating Connors 6-4, 6-2. The fourth-seeded Noah won the all-Turkish match against Tulasne, seeded 10th, 6-2, 6-7, 7-5.

Ueberroth bans drug-users

NEW YORK (Reuter). — Baseball Commissioner Peter Ueberroth has imposed one-year suspensions on seven major league players who have admitted using cocaine. But he left the door open for them to play this season.

Ueberroth told a press conference he would hold the suspensions in abeyance if the seven donated 10 per cent of their base salaries to a drug abuse programme, agreed to random drug-testing during the remainder of their baseball careers, and performed 100 hours of community service this year and in 1987.

The suspensions were imposed on Keith Hernandez of the New York Mets, Dave Parker of the Cincinnati Reds, Lonnie Smith of the Kansas City Royals, Enos Cabell of the Los Angeles Dodgers, Dale Berra of the New York Yankees, Joaquin Andujar of the Oakland Athletics and Jeff Leonard of the San Francisco Giants.

Four other players linked to

cocaine use were suspended without pay for 60 days. But Ueberroth said the four — Al Holland, Lee Lacy, Larry Sorensen and Claudell Washington — would be able to play this season if they agreed to donate five per cent of their base salaries to drug abuse programmes, performed 50 hours of community service and underwent random drug-testing.

Ueberroth said any player in the two groups who failed a drug test — or refused to undergo such tests — would be suspended immediately.

He said urinalysis tests would be administered by his office to detect cocaine, marijuana, heroin or morphine use.

In Sydney, the Australian Commonwealth Games ruling body has dismissed its team doctor after a bitter controversy over his support for the supervised use of banned drugs. Dr. Tony Miller's appointment has been cancelled following an article he wrote condoning the use of anabolic steroids by athletes.

Miller had confirmed in all respects matters raised in his article in which he said he prescribed anabolic steroids for those wishing to take them.

Rush on time

LONDON (AP). — An injury-time goal by Ian Rush snatched a 2-1 victory for Liverpool at Tottenham Hotspur yesterday to keep alive the Merseyside team's championship hopes.

England international Chris Waddle gave Tottenham a third-minute lead, but Liverpool levelled in the second half through Danish international Jan Mølby. Waddle star Rush grabbed the dramatic late winner 30 seconds from time.

Sportphoto results

Twenty got 12, earnings £16,000 each: 466 got 11-15400 each: 4425 got 10-1547 each.

SCOREBOARD

NBA. — Suns 103, Lakers 106; 76ers 118, Nuggets 107; Jazz 110, Kings 94; Blazers 117, Celtics 112; Warriors 119, Pistons 116; Hawks 116, Spurs 108; Nets 102, Knicks 100.

NFL. — Blues 6, Blackhawks 3; North Stars 5, Islanders 4; Flames 3, Canucks 2; Red Wings 6, Maple Leafs 4; Sabres 8, Nordiques 4; Capitals 4, Rangers 6; Devils 3.

MARATHON. — Katrin Dörre of East Germany sped away in the last 14km, to win an international women's marathon here, breaking the 2hr, 39min, 46sec barrier.

Her victory in 2hr, 39min, 46sec, was the 24-year-old's ninth consecutive marathon win.

TODAY'S ENTERTAINMENT

TELEVISION

EDUCATIONAL: 8.15 School Broadcasts 14.00 Rega and Doolin 14.25 Earthquakes 14.45 Follow Me 15.00 Making Magic 15.25 No Secrets 15.50 100 Famous Paintings 16.00 John Diamond, based on the story by Leon Garfield 17.00 A New Evening — live magazine

CHILDREN'S PROGRAMMES: 12.00 Alice in Wonderland, Part 3 of a 26-part animated series based on the book by Lewis Carroll

ARABIC-LANGUAGE programmes: 18.30 News roundup 18.32 Programme Trailer 18.35 Sports 19.30 News

HEBREW PROGRAMMES resume at 20.00 with a news roundup

20.02 Fame — drama series: Nothing Personal

20.30 Beauty Spot — tips on hites and trips

21.00 Melel Newsround 21.10 American Short Story 22.00 News in English 22.20 Dallas

MIDDLE EAST TV (from Y.A. north): 13.00 Woody Woodpecker 13.30 Another Life 14.00 700 Club 14.30 Shape-Up 15.00 Afternoon Movie 16.30 Spider-Man 17.00 Super Book 17.30 Muppets 18.00 Huggy Days 18.30 Lawrence & Shirley 19.00 News 20.00 Magnum 21.00 21.06 Another Life 21.30 NBA 23.30 700 Club

VOICE OF MUSIC 6.02 Morning Melodies 7.07 Puppets: Suite for Trumpet and Organ (Scheubert); Sammarini: Concertino for Soprano Recorder (Petr)

7.30 J. Stamitz: Trio; Dams: Flute Concerto

ON THE AIR

No. 2: Mendelssohn: String Quintet, Op. 87 (Guarneri/Zukerman); Prokofiev: Piano Concerto No. 1 (Gavrilov, London Symphony/Rattle); Dvorak: Symphony No. 3 (London/Korolov)

9.30 Vidi: Violin Concerto No. 22 (Y. Menuhin); Messiaen: Suite, Liszt: Piano Concerto No. 1 (Brendel, London Philharmonic/Saitling); Brahms: Sextet, Op. 35 (Cleveland, Zukerman, Greenhouse); Mendelssohn: Symphony No. 4 (English Chamber/Lappard)

12.05 From Israel Festival — Jerusalem Chamber Orchestra (Shalom Roni-Riklis); Bach: Cantata No. 108

13.00 Bach: Suite No. 1 (English Chamber/Gardiner); Handel: "L'Allegro, il Penseroso ed il Moderato" (English Chamber/Gardiner)

15.05 Franco Donatoni: Duo for Bruno; Bruno Maderna: Great Praise

16.00 Bach: Violin Concerto in E minor (Sternberg, Y. Menuhin); Handel: "Judas Maccabeus" Overture; Mozart: Flute Concerto, K.314; Schumann: Cello Concerto; Mussorgsky-Ravel: Pictures at an Exhibition; First Prize in the Contest for Chorus of the BBC and European Broadcasting Union — "Orlando" Women's Choir — Works by Anon., Schumann, Copland and Brynes

22.30 Folk music from Peru

23.00 Haydn: Piano Sonata No. 16 (Bleichbinder); Debussy: Etchings (Francois); Scriabin: Sonata No. 7 (Aishkenazy)

First Programme

6.02 Programme for Olim

7.30 favourite Old Songs

8.05 Composers — with Benny Handel

9.05 Hebrew songs

9.30 Encounter — live family magazine

10.30 Programme in Easy Hebrew

11.10 School Broadcasts

11.30 Education for all

12.05 News at Last

13.00 News in English

13.30 News in French

14.05 Children's programmes

15.53 Notes on a New Book

16.05 Radio Drama

17.20 Everyman's University

18.05 Jewish Traditions

18.47 Bible Reading

19.05 Reflections on the Portion of the Week

19.20 Programmes for Olim

22.05 Night Connection

Second Programme

6.12 Gymnastics

6.30 Editorial Review

6.55 Green Light — drivers' corner

7.00 This Morning — news magazine

8.05 Safe Journey

9.05 House Call — with Rivka Michaeli

10.10 All Shades of the Network

12.10 Open Line — news and music

13.00 Midday — news commentary, music

14.05 Matters of Interest

15.15 Music Moments

16.05 Songs and Homework

17.10 Economics Magazine

18.06 Free Period — education magazine



Filipinos in Manila last week after learning that Ferdinand E. Marcos had fled the country.

Special Features/Sipa Press/Haley

Democracy Asserts Itself in the Philippines

By FRANCIS X. CLINES

MANILA — It took the Filipino people 18 days to shed a President once their rage had been stoked at the ballot boxes. It was a historic wonder to see shabby knaves who murdered and cheated their countrymen of the precious vote were swept aside by people who rose up in an act of self-determination inspired by the most basic human stuff — weeping, cheering, praying, singing and a sheer yearning for democracy.

The crowds found power in their grief for such fresh martyrs as Evelio Javier, a regional Quixote who resisted the roughshod political bosses of Antique province. Javier was blithe, then frightened, in successfully rallying the voters before being chased to his grave by six gunmen.

The crowds found resolution in cheering beyond the rigged ballot boxes for Corazon C. Aquino, the most unlikely victor, who transformed a widow's grief into a

political force that finally drove out Ferdinand E. Marcos. (Washington's helping hand, page 2.) He limped into exile not in a long-fered national bloodbath, but in what seemed a muddle of puzzlement that this woman in the tiresome yellow dresses could beat the fabled guerrilla fighter at his own game. After frightening salvos of bluster, he left, trailed by his "Iron Butterfly," Imelda, who scattered jewel boxes in the palace while abandoning it, just before a happy mob broke in.

At their most desperate times, Filipinos sang the romantic lyrics of democracy, professing them in great impassioned throngs that recalled the dark hope drafted in the shadows of Goya's rebellious crowds. They sang "Bayan Ko (My Country)" and "The Impossible Dream."

Most of all, perhaps, Filipinos prayed. They were led by a fiery Roman Catholic clergy, from the lowly grade-school nun to the stolid prelate, Jaime Cardinal Sin, by a church that began fighting Mr. Marcos back when martial law was declared 14 years ago. The eloquent, moon-faced Cardinal was plainly scrappy at the end, taking to

the rebellious church network, Radio Veritas, to rally civilian hordes to protect the first military rebels. Masses were said in the streets to bolster the crowds in turning back the Marcos tanks.

It was the variety of rebellion that should have warned Mr. Marcos his 20 years of rule were ended. Two days after the election, as his men scrambled to produce a vote count to match the credibility of the Namfrel citizens' count, 30 computer workers darted fearfully from the Government election center and testified that the Marcos numbers were being rigged.

The Rebellious Will

In the same spirit of individual rebellion, a suddenly disgusted television journalist, Tina Palmer, disrupted an otherwise fawning panel of interviewers to suggest to President Marcos that he really did look too wasted to govern. He seemed flabbergasted when she persisted.

He could have seen the rebellious will, too, in the disobedience by utility workers presumably under his control who refused to cut off all electric power to Manila on

Sunday, after the rebellion began openly. The fight stirred in his own ranks even before the opposition's fear of arrest drove off Marcos's wily Defense Minister and one-time protégé, Juan Ponce Enrile. He opted for virtue on the other side, taking with him one of the generals of indisputable integrity in the high command, Fidel V. Ramos. This was a crucial turning, for General Ramos had been the hope of the anonymous, battered movement of military reformers who resented being cadre for the Marcos political machine.

In the darkness of early Monday, two days after the resistance began with the pathetically small garrison at Camp Crame and some dramatic rhetoric from Defense Minister Enrile, General Ramos received word of the Marcos forces' approach. He called an anti-Marcos broadcaster with what sounded like his last will and testament.

"The Marcos soldiers are coming from three sides," said the general. "This is an overwhelming force, it seems."

By then more and more people left their radios to pour into the streets and try to block the army. "The people are begging the soldiers not to hurt them," the general reported as tear gas was fired upon the civilians. "The blood will be on Marcos's hands," the general fairly wept. It was 5:14 A.M., and a flotilla of helicopters was descending darkly on the general's position.

But the occupants, emerging like the cavalry in a Western movie, were the first wave of defecting reinforcements, smiling, waving, turning over their guns to the startled general. In minutes, some of the tear-gas troopers were apologizing and embracing their teary-eyed countrymen in the street. Others raced toward the rebel position, but only to scale the camp fence as happy defectors.

So, buoyed by the relentless crowds, the rebellion did not unravel, and a mood of most unusual optimism took hold of the night. General Ramos still seemed to be approaching hysteria on the radio, but now because fresh units of defectors began reporting in.

The Felonious Darkness

That moment was the redemption of a certain widespread election-night event that had seemed poignant but absurd to outsiders: This was the action of demure nuns, routed by gunmen, who reverently counted election-night votes like communion hosts. They leaned to the candlelight in the shadows as poll thugs waited to further skew the tally for the Marcos patronage machine. In the turnabout, all tired political realists were made fools by the faithful nuns and by the great families and hampets of Filipinos whose fury was forged that night. "That's where I voted!" said Robert Del Rosario, who saw his ballot box carried into the night by an intruder. "It's unfair to me," he cried to the felonious darkness.

In the aftermath, the strength of this nation, its collective humanity, still remains to be wondered at, but from the opposite angle, while Marcos is gone, the hardships of political oppression were clearly never his alone to control. The numbers of "warlord" political bosses in the land were seen to do his bidding in the election, and they remain into the Aquino era, along with their mercenary armies. So do working politicians nourished on the Marcos model, notably Defense Minister Enrile, once the architect of martial law and now a strong man in the Government of Mrs. Aquino, the neophyte chief executive.

Such contradiction is the human condition. Mr. Marcos, for example, has the quietude of exile in which to wonder whether he was too faint-hearted in his authoritarian rule, allowing enough freedom of assembly and speech so the world could witness the morality play that followed his decision to call an election.

What will come of the Filipinos' harshly resurrected democracy? Exhausted witnesses to this desperate and lyrical act of self-determination can ignore that as the sort of question for Washington specialists to gum over in the belief that politics is strategy. In the Philippines, this time, politics was blood and anger, defeat and victory, singularly wrought in the spirit of Jose Rizal, the nation's poet-statesman. A century ago, he predicted a Filipino revolution not at sword's point but "by making ourselves worthy of it, by exalting the intelligence and the dignity of the individual, by loving justice, right, and greatness, even to the extent of dying for them." Then, he predicted, "the idols will be shattered, the tyranny will crumble like a house of cards and liberty will shine out like the first dawn."

Tough Questioning From the Presidential Commission Challenger's Failure and NASA's Flaws

By DAVID E. SANGER

WASHINGTON — When President Reagan named a blue-ribbon panel three weeks ago to investigate the space shuttle disaster, many thought its members would simply offer their dignified blessings as space agency engineers tracked down, then fixed, the failed hardware that led to the eerie fireball that consumed the Challenger on Cape Canaveral. Now, hardly anyone can remember a time when it seemed that equipment, and not the agency itself, was at fault for the explosion that claimed seven lives.

Like players in a Greek tragedy, a parade of engineers, executives and NASA officials appeared on stage last week in Washington to explain their sometimes terrifying, often conflicting roles in a mission that panel members seem increasingly convinced should never have left the pad. There were tales of miscommunication and mismanagement, of dire warnings that were submerged in the can-do culture of the National Aeronautics and Space Administration bureaucracy and — even more chilling — deliberately squelched in the hours before liftoff. A picture emerged not of an agency whose string of triumphs was marred by a single calamity but of a success-conscious organization pushing on despite disturbing evidence that disaster loomed.

That realization has rapidly transformed the commission into a 13-member grand jury led by former Secretary of State William P. Rogers, an ex-district attorney who demonstrated last week that he has lost little of his skill for cross-examination. By the end of three marathon hearings, Mr. Rogers was lambasting the agency for eliminating "the element of good judgment and common sense" when it came to communicating safety concerns.

It is too early to say what conclusions the commission will reach. But it seems clear that mere changes in a system panel members called "clearly flawed"

will not suffice. The next time a shuttle's engines are lighted — not for a year or more — the go-ahead will probably come from a new cast. Meanwhile, the agency will lay off 10 percent of the program's 11,000 employees.

Already the White House is shopping for a replacement for William R. Graham, NASA's struggling acting administrator who, while not directly involved in the launching, had the misfortune of standing watch at the time. The leading candidate is James C. Fletcher, a former NASA administrator. Jesse W. Moore, the director of space flight, also seems on the way out. Still unresolved is the fate of his deputies.

The litany of errors made public in the hearings can be divided into two time periods: last summer, when the seriousness of problems with the safety seals on the shuttle's booster rockets became known, and the night before liftoff. In August, the evidence of trouble with the synthetic rubber O ring seals was so overwhelming that many believed the fleet should have been immediately grounded. Seals on flights in January and April 1985 showed signs of alarming damage, raising the possibility of an explosive leak that NASA's own documents warn could lead to "loss of mission, vehicle and crew."

"In my mind we were just playing with a dangerous situation," said Roger Boisjoly, one of two engineers at Morton Thiokol Inc., the manufacturer of the booster, who wrote memos warning of imminent catastrophe that somehow did not make their way from the company to the space agency.

The night before the fateful launching, Allan J. McDonald and other Thiokol engineers said the cold would shrink and harden the O rings. But three NASA officials, Lawrence B. Mulloy, Stanley Reinartz and George Hardy, argued that the data linking the cold with the risk of failure were "inconclusive." All three denied the contention of Thiokol engineers that they were being asked to prove that a launch was unsafe, rather than safe, the NASA tradition.



"I made the direct statement that if anything happened to this launch — I told them I sure wouldn't want to be the person who had to stand in front of a board of inquiry."

Allan J. McDonald
Engineer,
Morton Thiokol



"I can assure you, because I am absolutely certain, that no extraneous considerations such as schedule came into that decision process."

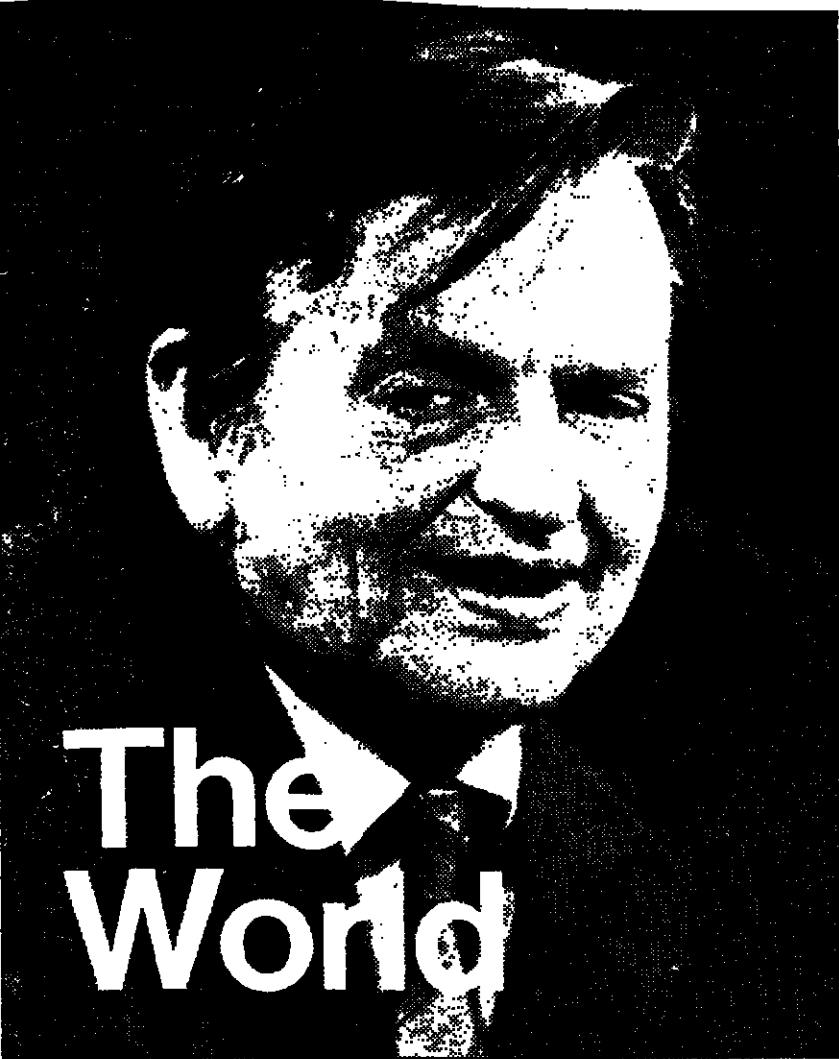
Lawrence B. Mulloy
Manager,
solid rocket booster project,
Marshall Space Flight Center

In the end, Thiokol's management overruled its own employees and approved the launching. The engineers' worries, the commission learned to its astonishment, did not even come up the following morning, when Mr. Mulloy and Mr. Reinartz sat for hours across from NASA's top leadership, who were trying to decide whether there was too much ice on the pad to attempt a liftoff.

Rockwell International, the shuttle's prime contractor, said it thought the ice made the craft unsafe to fly, though later testimony indicated that it may have equivocated. The shuttle's No. 2

executive, Arnold Aldrich, said Rockwell "did not intend to ask me not to launch." Ice on the pad appears to have been exonerated in the accident, but the mangled warning illustrates the depth of the communications problem.

At week's end, some NASA officials were circling the wagons, and one even reasoned that "it was a sound decision to launch" because the agency brass did not know of Thiokol's lingering worries. But with seven dead, and an esteemed agency's image shattered, few seemed to agree.



Olof Palme

Swedish Premier Assassinated on Stockholm Street

Olof Palme, the Prime Minister of Sweden and an internationally prominent left-wing activist, was shot and killed by a gunman Friday night on a brightly lit street corner in downtown Stockholm. He had dismissed his security guards and was walking with his wife after attending a movie premiere.

The assailant escaped, apparently in a car driven by an accomplice; the police said they had no evidence of a motive. In a call to a news agency in London, however, a terrorist group called the Holger Meins Commando claimed responsibility.

It was the first assassination of a Swedish head of government or state in more than 200 years. The last European leader killed while holding office was the Prime Minister of Spain, Luis Carrero Blanco, in 1973, who died in a car-bombing attributed to Basque separatists.

Mr. Palme, who was 59 years old, led his Socialist Party for 17 years, serving as Prime Minister from 1969 to 1976, when he lost an election, and regaining the office in 1982. Educated at Kenyon College in Ohio, he was a frequent and sharp critic of United States policies. In 1968 he marched alongside a North Vietnamese diplomat in a demonstration against the American war in Vietnam, and he campaigned vigorously against deployment of American nuclear weapons in Europe.

He was faulted for musing criticism of the Soviet Union, even when Soviet submarines were repeatedly sighted in Swedish waters. But Sweden, which proclaims itself a neutral nation, remained Western-oriented in trade, culture and democratic institutions.

President Reagan sent condolences, denouncing the murder as "a senseless act of violence." He praised Mr. Palme for "his devotion to democratic values and his untiring efforts to promote peace."

Government Units Battle Near Cairo

Paramilitary security police who normally enforce the law ran afoul of it in Egypt last week, and the surge of violence shook the Government of President Hosni Mubarak and cost Interior Minister Ahmed Rushdi, one of the country's most powerful politicians, his job.

The young and poorly paid (about \$4 a month, plus two hot meals a day) conscripts, whose tasks include curbing unauthorized street demonstrations, were soon joined by civilians, rioting for several days in the suburbs of Cairo and the shadow of the pyramids.

At week's end, troops appeared to have calmed the uprising. The Government said at least 36 rioters were killed and more than a dozen nightclubs and several luxury hotels ransacked and burned. President Mubarak denounced the rioters as a "deviant minority."

The trouble started after rumors circulated that the conscripts' tours of duty would be extended to four years from three. But some suspected that the uprising might have been an attempt to topple the Government; one band of rioters, it was said, were all carrying exactly 50 Egyptian pounds, possibly saboteurs' pay.

A third theory was that the rebellion was a spontaneous burst of discontent caused partly by recent price increases and shortages of food and other goods.

Brazil Opens War On Inflation

Brazil's inflation seemed to be approaching a rate of 500 percent last week, so President José Sarney hit the brakes.

He froze wages and prices and ordered sweeping economic changes,

including a new currency, the cruzado. A cruzado is worth 1,000 old cruzeiros, but there was no devaluation in terms of American dollars. Foreign bankers said the measures would help Brazil win points in negotiations under way in New York to restructure the third world's largest foreign debt, \$104 billion.

The Brazilian Finance Minister, Dilsen Fumero, threatened severe penalties for unauthorized price increases. Without waiting for the Government, angry customers in Rio de Janeiro trashed two fast-food restaurants that had rushed to raise prices.

A New Complexity In Papal Plot Trial

There was another twist last week in the complicated Italian trial of seven men accused of conspiring to assassinate Pope John Paul II in 1981. The chief Government prosecutor, Antonio Marini, concluded 30 hours of summation by saying that the three former Bulgarian officials on trial should be acquitted, not because he believed they were innocent but because of a lack of proof of their guilt, which is a distinction with a difference in the Italian system.

For the four Turks on trial, the prosecutor recommended prison terms. But as to the Bulgarians, Mr. Marini seemed to be urging the jury to ignore his acquittal recommendation and convict them anyway. In the Italian system, there are three possible recommendations for a prosecutor, "guilty," "not guilty" and "absolved for lack of proof."

Mr. Marini said he had not been allowed by the court to present enough witnesses and to follow new leads. So he urged the jury to "pass down the path of complete truth, if you wish to."

A verdict is expected by the end of March. The trial has attracted attention because of assertions that Mehmet Ali Agca, the 28-year-old right-wing Turkish terrorist convicted of shooting and wounding the Pope, was acting as an agent in a Soviet-inspired plot.

Mr. Agca accused the Bulgarians of complicity, but he also confounded the prosecution by asserting that he was Jesus Christ and that the end of the world was nigh.

Haiti Will Seek Duvalier's Return

Jean-Claude Duvalier was still making his absence felt in Haiti last week. So much so, in fact, that the interim Government said it would seek his extradition from France, along with the return of Col. Albert Pierre, the longtime chief of his notorious secret police, who fled to Brazil. The announcement was surprising since the new Government had permitted both men to leave.

Beyond that, Haiti and France do not have a treaty obliging Mr. Duvalier's return, although a French official said it would be a possibility.

As for the former President, he complained in a lawsuit that he was being held prisoner in his swank hotel in the resort of Tallioires. The hotel's owner also went to court in an effort to rid himself of his guest, who is paying for all 45 rooms. France has turned down the deposed dictator's request for permanent asylum but cannot find a country that will have him.

Meanwhile, Haitian demonstrators continued "Operation Uproot," the rough system of street justice levied against members of Mr. Duvalier's security force, the formerly-feared Tontons Macoute, lynching two of them who had been charged with poisoning water supplies in Port-de-Paix.

The five-man military-dominated council lifted a curfew Wednesday, but imposed an even tighter one later in the day. They also forbade the departure of several former officials accused of human rights abuses.

James F. Clarity,
Milit. Freudenheim
and Richard Levine

Saddam Hussein's Army Faltered Again Last Week Iraq Seems Unable to Oust Iranians

By JOHN KIFNER

BASRA, Iraq — The huge portrait of Saddam Hussein dwarfing the troops outside the army command post on the mud flats in the Fao peninsula is unusual.

Not that it is odd to see pictures of the Iraqi President; his visage adorns nearly every vertical surface in a variety of guises. In some, he wears a field marshal's uniform with sword, sash and chestful of medals, although he has done no military service, having fled the country in his youth after participating in a failed assassination attempt against a previous dictator. In others, an Arab kaffiyeh wrapped around his head, he clutches a child in one hand and an enormous cigar in the other. He may be shown wearing a jaunty commando beret and Porsche-design sunglasses. Or astride a horse, dressed in flowing robes and waving a scimitar, leading the Arabs in the seventh-century battle of Qadisiyya to victory over an imperial Persian army.

What is unusual about the at the command post is that this Saddam Hussein is not smiling; he seems almost to be brooding, a realistic trace of a 5 o'clock shadow across his jawline, as if contemplating the effects of his deadlocked five-and-a-half-year war with the Iran of Ayatollah Ruhollah Khomeini.

The war may have reached a crucial stage in recent days, according to Western diplomats and military experts in Baghdad. The Iranians have broken through on two fronts, at the strategic and symbolic peninsula near here, which controls access to the Persian Gulf and once held Iraq's main oil terminal, and in the northern mountains of Kurdistan. Despite overwhelming advantages in firepower and military hardware, including near-total control of the skies, the Iraqi army

does not appear to have the stomach to push them back.

The pivotal action came on the night of Feb. 9 in one of several probing attacks by fiercely religious Shiite Moslem Revolutionary Guards and teen-age volunteers. They suddenly broke through, catching the Iraqis off guard despite elaborate defenses. Swiftly exploiting the opening, the Iranians established a beachhead and poured in 30,000 to 40,000 troops, mostly by small boat across the Shatt al-Arab waterway. Three full weeks later, despite daily Iraqi announcements of victories, they were still there.

Returning the Bodies

Saddam Hussein launched the war, which he expected would last a few days, in September 1980, partly from fear of the spread of Ayatollah Khomeini's Islamic revolution. Iraq is more than 50 percent Shiite, and a leading religious figure, Ayatollah Mohammed Bakr-Sadr, who was executed, espoused a similar philosophy.

In this most secretive of societies, few statistics are public, but diplomats estimate the war has cost \$1 billion a month — much of it for weaponry supplied on credit by France and the Soviet Union — and at least 50,000 Iraqi lives. Public wailing and other funeral manifestations have been banned for two years in hopes of controlling the emotional impact, and the families of "martyrs" — the word generates notably less enthusiasm here than in Iran — are given Brazilian-made Volkswagens to assuage their grief. Diplomats believe there is a refrigerated transport system to slow the return of bodies from the front during offensives. Taxis on the Basra-Baghdad highway are required to have racks to carry flag-draped coffins.

Iran's condition for ending the conflict, which Ayatollah Khomeini describes as a war between

Islam and blasphemy, is straightforward: the downfall of Saddam Hussein. It is an option the President is unlikely to choose.

The word most often used to describe Mr. Hussein is ruthless. One of his first acts as President in 1979 was to execute a score of colleagues whom he accused of pro-Syrian plotting. Among them was one of his closest associates: their wives were shopping together in Paris at the time. Mr. Hussein is said to have personally shot the general who presided over the Iraqi retreat from Iranian soil in 1982.

The public mood in this rigidly controlled society, where discussions with foreigners are illegal, is difficult to judge. But diplomats say they sense ambivalence toward Mr. Hussein, who has been both enforcer and provider. Until the war, oil revenues had probably been spent more constructively than in any Gulf country, and the President still appears on television visiting newly electrified villages to give out refrigerators and television sets. Dissent is rigorously suppressed. The army, formerly a rival to the civilian Baath Party, is closely watched by political cadres, contributing to the inflexibility of its command structure. "The party is afraid this monster they've created could turn on them," a military expert said.

"He's hated, because people hate the guts of this war and because of the security apparatus," a diplomat said. "This is a dictatorship of the harshest kind."

"Yet set against this is a man who has done many good things. There's been lots of education, lots of hospitals and health programs, lots of development," he continued. "Saddam's a wonderful hand with children, children cling to him, and you can't fool them. Yet at the same time, he's one of the most ruthless rulers in the world, it's a kind of a mystery. But what's certain is, he's one tough cookie."



Syga/Richard Hoffmann

Marcos and Duvalier Are Making Others Nervous

Washington's Harder Line on Despots

By LESLIE H. GELB

WASHINGTON — President Reagan's decision that the time had come for President Ferdinand E. Marcos to resign sent shock waves around the world last week. Taken with the Administration's helping in the departure of President Jean-Claude Duvalier from Haiti on Feb. 7, the decision sent a powerful message to friendly despots: anti-Communist and old ally or not, an authoritarian regime that loses control of its people cannot count on continued American support.

Hours before Mr. Marcos bent to pressures in Manila and Washington to end his 20 years in power, South Korea was feeling the effects. In a surprising shift, President Chun Doo Hwan condemned his own police for harassing opposition politicians. Seemingly to edge open the long-closed door to dialogue, Mr. Chun met with opposition and other political leaders. While his aides denied that his remarks to them were linked to Manila, he was said to have mentioned that the Philippine events reflected abuses stemming from prolonged one-man rule.

State Department officials also called attention to Chile, where, they said, United States Ambassador Harry Barnes has recently shown displeasure with the 12-year-old military dictatorship. The American Embassy, they said, is sending representatives to meet openly with opposition leaders, which has rarely happened in countries governed by one man or a junta — not previously in Chile, not in Iran at the time of the Shah or, until recently, the Philippines.

Such actions seemed striking in an Administration that had attacked President Carter for being preoccupied with human rights issues and not sufficiently appreciative of the anti-Communist virtues of otherwise difficult dictators. Mr. Reagan's first Secretary of State, Alexander M. Haig Jr., quickly made clear that the Carter priorities would be turned upside down, replacing human rights with antiterrorism. Instead of criticizing all dictators, Ambassador Jeane J. Kirkpatrick urged, friendly and anti-Communist authoritarians should be backed and quietly persuaded to make improvements; Communist, anti-American totalitarian leaders, impervious to Washington's preachments, were flatly opposed.

Last week, Administration officials were careful not to walk away from these early statements, which remained their ideological home base and militated against taking too much credit for forc-

ing Mr. Marcos out. The general line was to portray Washington as bowing to the will of the Philippine people.

While happy to be praised for its skill, the Administration was indeed bending to realities, not shaping them or even liking them. The main quakes took place in Manila, and the Administration was essentially reacting to events there — albeit always in the direction of trying to push Mr. Marcos into planning a peaceful transition to someone else.



Associated Press

Ferdinand E. Marcos with Gen. Robert W. Bazeley, commander of United States Air Forces in the Pacific, in Hawaii last week.

After the Feb. 7 Philippine election, it seemed clear that the someone had to be Corazon C. Aquino, the opposition candidate. Nonetheless, the Administration seemed two weeks ago to be attempting to prevent events from moving too quickly. Officials tried to forestall Congressional action to suspend aid, and they tried to dissuade Mrs. Aquino from taking to the streets.

But when the end came swiftly, beginning last weekend, Mr. Marcos rolled with events. First came the critical defections of Defense Minister Juan Ponce Enrile and Lieut. Gen. Fidel V. Ramos, the armed forces Deputy Chief of Staff. That split the military. Washington, in effect, endorsed the tough statement by the two men condemning Mr. Marcos for election cheating. Then, as Mr. Marcos seemed about to send loyal troops against the defectors, Washington threatened to cut off military aid.

Immediate Recognition

Administration officials understood that once Mr. Marcos used American arms to put down the opposition, American interests would be seriously jeopardized. With throngs of Filipinos pouring into the streets to protect the defectors, the White House issued a curt statement early Monday: "Attempts to prolong the present regime by violence are futile."

Mr. Marcos, in a final effort to hang on to some vestige of power, telephoned Senator Paul Laxalt, a close Reagan confidant. After a White House consultation, the Nevada Republican advised the ailing 68-year-old Philippine leader: "Cut and cut cleanly. The time has come." After a pause that seemed to last minutes, Senator Laxalt said, Mr. Marcos responded, "I am so very, very disappointed." At that moment, the White House knew the page had turned and Mrs. Aquino's new trials of governing were about to begin. Washington's recognition of her Government was immediate.

At the same time, American officials were examining larger implications. Could the new Philippine Government and the interim one in Haiti cope with their respective sets of virtually overwhelming problems? How would other undemocratic governments perceive Mr. Reagan's actions? Would he seek to apply similar principles to South Africa, after having carefully avoided a showdown over President P. W. Botha's racial policies? Reagan Administration officials themselves did not know the answers. But they were well pleased with the week's work.

سكرا من الامم

هَذَا مِنَ الْأَصْلِ

Surprising Candor at the Party Congress

Taking Off the Rose-Colored Glasses in Moscow

By SERGE SCHMEMANN

ONE of the most talked-about events at the Communist Party congress last week was the speech by Boris N. Yeltsin, the new Moscow party chief.

Mr. Yeltsin spoke for a relatively short time during the period set aside for discussion of the 5½-hour state-of-the-Soviet Union blockbuster by the Soviet leader, Mikhail S. Gorbachev. But Pravda reported that he was interrupted 13 times for applause, and people queued for newspapers carrying the text.

Part of the interest was in Mr. Yeltsin's unusually blunt attacks on the party leadership, an elite once held above public criticism. Why is it, he asked, that "from congress to congress we raise the very same problems"? Why were some beyond criticism? Why was the Central Committee silent about gross corruption in Uzbekistan? Why were top party officials held out as "some sort of miracle-workers"?

But the comment that caused the most commotion concerned himself. "Delegates might ask me," he said, "Why did you not say all this when you addressed the 26th Party congress? My answer, my candid answer, is that at that time I apparently lacked the courage and the political experience."

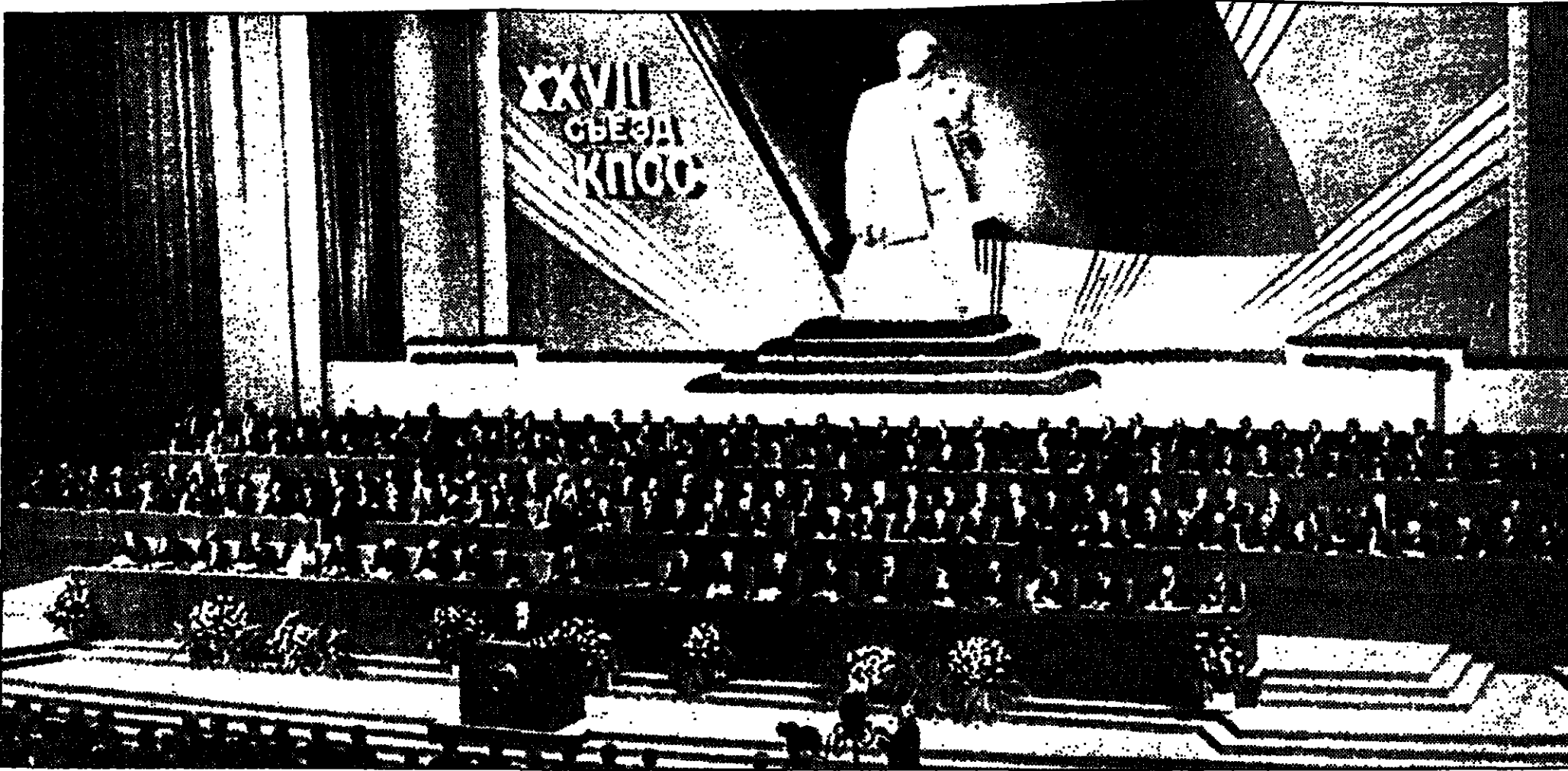
In 1981, at the 26th congress, Mr. Yeltsin sang the praises of the Central Committee and hailed Leonid I. Brezhnev five times. So had everybody. But it was only Mr. Yeltsin, a rugged engineer, who acknowledged it in public last week. Geidar A. Aliyev, a Politburo member who probably set a record in his 1981 speech by naming Mr. Brezhnev 13 times, dismissed this record Thursday, explaining "He was General Secretary, there was nothing unusual about this."

The difference in the attitudes of the two Politburo members underscored one of the main, if subtle, themes of the congress and of the Gorbachev Era: the function and limits of official self-criticism and public candor.

Since coming to power less than a year ago, Mr. Gorbachev has called for more openness and candor than is usual. In the weeks before the congress, the press demonstrated an unusual boldness.

But it was Mr. Yeltsin who blamed the Central Committee directly for the problems Mr. Gorbachev had outlined. And Mr. Yeltsin alone touched on the perquisites of the party apparatus, a subject that had become more sensitive since Pravda raised it in a series of readers' letters.

"I feel uneasy listening to the indignation



Mikhail S. Gorbachev, the Soviet leader, addressing the 27th congress of the Communist Party at the Palace of Congresses in Moscow last week.

at any manifestation of unfairness, current or old," he said. "But it really hurts when people talk openly of special perquisites for leading officials. . . . So it's my opinion that wherever there are unjustified perquisites for officials of any level, they should be eliminated."

Privileges of the Apparatus

Mr. Aliyev defended the special services for the party apparatus at his news conference, acknowledging the existence of special shops, clinics and restaurants for party workers and arguing that most trade unions, professional unions or large enterprises also had special food outlets, sanatoriums and clinics,

that "one could not say that only the party workers have special facilities or enjoy special rights."

The real issue here was not the privileges themselves, which nobody really believed would be lifted, but how much criticism of this sort would be allowed in Soviet public life after the congress ended. In the past, Russians knew, sanctioned debate in the press had lasted only until an official policy was laid down, after which newspapers unanimously joined in pushing the official line. Mr. Aliyev's discussion of privileges was deleted from the retransmission of his news conference.

Before the congress ended there were clear signals that if the boundaries of permitted

criticism were to be broadened, they would hardly be erased. The loudest signal came from Yegor K. Ligachev, who as the chief Politburo ideologist was probably most responsible for defining the limits. Mr. Ligachev emphasized that no official was to be above criticism.

"But unfortunately," he added, "certain newspapers allowed mistakes, and among others the editors of Pravda did not escape them. Criticism must be focused on rooting out what is obsolete, on the strengthening and development of socialist democracy and our social order."

Mr. Ligachev did not specify Pravda's mistakes, eliciting speculation that he had in

mind the Feb. 13 issue, in which the paper published fiery letters from old Bolsheviks assailing the party apparatus as "immobile, inert and spongy" and demanding that high officials be stripped of privileges and made to stand in line "with everyone else." Several days later, the paper published a follow-up saying that the majority of party workers were good and honorable people, suggesting that the paper had been told to curb its tongue.

Though Mr. Ligachev left unclear what he meant, what was clear from his address was that the candor called for by the new leadership was still to be defined and controlled from on high.

Is There an Arms Control Dialogue or Two Monologues?

By MICHAEL R. GORDON

WASHINGTON — Despite the skepticism some Administration officials feel toward the arms control process, the prospect of agreements has helped President Reagan make his case for increased military spending. In his televised speech Wednesday, Mr. Reagan asserted that the United States military buildup had "brought the Soviet Union to the negotiating table and given us this historic opportunity to achieve real reductions in nuclear weapons."

Arguments of that sort have helped the Administration achieve a sharp increase in spending for strategic arms. An analysis by William W. Kaufmann, a former Pentagon official who is a consultant to the Brookings Institution, shows that the procurement budget for such weapons has grown 181.5 percent from 1980 to 1985, once the effects of inflation are discounted.

Still, for reasons that have little to do with military spending, the chances for a superpower agreement on important arms issues seemed to recede last week. The United States and the Soviet Union were at loggerheads in the area that American officials have said offers the greatest promise of an arms settlement: intermediate-range missiles, which have an average range of 3,400 miles. The missiles of the two sides are deployed in west central and east cen-

tral Europe; the American weapons are to offset the larger conventional Soviet bloc forces in the region.

And the impasse on an arms agreement seemed to complicate the timing of the next

summit between Mr. Reagan and Mikhail S. Gorbachev, the Soviet leader.

The summit, to be held in this country, is still tentatively expected in late summer or early fall, but last week, in a speech at the

Communist Party Congress, Mr. Gorbachev said that "there is no sense in holding empty talks." His statement may reflect the concern that his Geneva meeting with Mr. Reagan in November yielded the Soviet Union nothing in the way of concessions on important arms control issues, such as Washington's commitment to an aggressive "Star Wars" antimissile research program.

The renewed consideration of measures on intermediate-range missile systems has come as the leaders of the two nations seem to be trying to outdo each other in offering utopian plans for the elimination of all nuclear weapons. Mr. Gorbachev's comprehensive plan, issued Jan. 15, calls for the elimination of all United States and Soviet missiles from Europe as a step toward a nuclear-free world by the year 2000.

The plan was regarded by Administration officials largely as a Russian public relations effort. But some Washington officials were particularly intrigued by provisions of the Moscow proposal that appeared to soften the Soviet position that French and British missile forces must be included in any elimination pact. The Gorbachev proposal said the French and British missiles could stay in place but could not be expanded. This is still a position the three allies oppose.

The Administration's initial proposal, which was issued with the NATO allies in mind, called for adapting the Soviet offer to eliminate American and Soviet missiles from Europe while mandating in addition a 50 percent cut in the Soviet missile force in Asia. To the surprise of some in the Administration, the plan provoked concern by Japan that the United States was treating Asian security as a secondary matter. Several West European

nations also seemed upset, insisting that some United States missiles need to be based in Europe as a symbol of the American commitment to the defense of that continent.

A Letter to Moscow

These reactions forced the Administration to do some rethinking. What emerged was a proposal, conveyed in a letter to Mr. Gorbachev from the President over the weekend, that calls for the elimination over three years of all intermediate-range United States missiles from Europe and the elimination of all Soviet missiles from Europe and Asia.

Mr. Reagan called that a "new plan." But Administration officials acknowledged that the proposal was virtually identical to the "zero-option" plan the United States advanced at the start of the talks on intermediate-range systems more than four years ago.

When the zero-option plan was proposed in 1981, it was regarded as "nonnegotiable" by some key officials. The tactic carried with it the threat to deploy new American missiles in Europe unless Moscow agreed to remove all its missiles pointing at Western Europe. Moscow refused; American missiles were deployed.

Things have changed somewhat. A strong argument can be made that the deployment of some American Pershing II and ground-launched cruise missiles in Europe has notably strengthened the United States negotiating hand. But few in the Administration would argue that the new "zero option" has much chance of being adopted or would dispute that Mr. Reagan's latest proposal, like so many from both sides before it and no doubt so many to come, was mostly for public consumption.

The Give and Take on Nuclear Weapons

Soviet positions

Intercontinental range or strategic forces

Eliminate all U.S. and Soviet nuclear weapons by the year 2000; 50 percent reductions in first five to eight years of accord.

Intermediate range systems

Eliminate U.S. and Soviet intermediate range missiles in Europe. French and British missile forces need not be eliminated immediately, but may not be expanded.

Space-based systems ("Star Wars")

The U.S. must renounce space-based systems, as they could be used to put offensive weapons in space and achieve nuclear superiority. Certain unspecified kinds of basic or scientific research would be allowed. But lack of prior agreement on space-based systems would not preclude possible agreement on elimination of intermediate range missiles.

United States positions

Intercontinental range or strategic forces

Reduce U.S. and Soviet strategic forces by 50 percent as first step toward total elimination.

Intermediate range systems

Eliminate U.S. and Soviet intermediate range systems in Europe within three years by stages. In same period, eliminate Soviet missiles in Far East, and reduce Soviet missiles in Central Asia. No agreement to prevent French and British forces from expanding or to bar transfer of American strategic technology to these nations.

Space-based systems ("Star Wars")

No plans to cut back on research and development of technology for space-based system, but will abide by a strict interpretation of allowable research under the anti-ballistic missile treaty of 1972.

Gandhi Tries to Contain Sectarian Strife in India

Hindu Revivalism Makes for Moslem Anxiety

By STEVEN R. WEISMAN

NEW DELHI — For 37 years, the doors at a crumbling religious shrine in the Ganges River plain were padlocked because of a dispute between Hindus and Moslems. Now a judge's decision to reopen the building as a Hindu temple has sparked violent Moslem protests. Across India, a half dozen people have been killed in clashes, particularly in the Moslem-dominated, northern state of Jammu and Kashmir. Army and paramilitary police are enforcing curfews in many cities. The disturbances reflect increasing disaffection among Moslems and a trend toward religious hostility that frightens many politicians and religious leaders.

"More and more, we are being treated like second-class citizens," said Syed Abdullah Bukhari, the imam of Jama Masjid in Old Delhi, India's largest mosque. "Our rights are no longer being safeguarded."

Conflict between Hindus and Moslems has been a feature of Indian history since the Moslem conquests centuries ago. In the 1947 upheaval at the time of independence and the partition that created Moslem Pakistan, hundreds of thousands of people were slaughtered and millions uprooted. And last year, in the western state of Gujarat, hundreds were killed in sectarian strife. By all accounts, the last few years have brought a new mood of anxiety and anguish to the nation's 75 mil-

lion Moslems, who make up only about 11 percent of India's more than 750 million people but are nonetheless one of the world's largest Moslem communities.

In addition to the controversy over Ram Janmabhoomi Temple, which Hindus revere as the birthplace of the god Rama and Moslems know as a mosque opened by Babar, the first Mogul emperor, Moslems have also been antagonized by an Indian Supreme Court decision. The court ordered a well-to-do Moslem lawyer to pay \$40 a month to the woman he had divorced after 43 years of marriage. Angry Moslem demonstrators accused the court of interfering in their religious practices, citing a constitutional guarantee that divorce and divorce settlements remain matters of Moslem personal law outside the jurisdiction of civil courts.

The case has sharply divided the ruling Congress Party of Prime Minister Rajiv Gandhi, pitting advocates of respect for minority religions against advocates of universal rights.

After agonizing over the divorce case, Mr. Gandhi came down on the Moslem side. He pushed a parliamentary bill to reverse the court decision. "What we need is national cohesion at this time," he said as Hindu lawmakers jeered. "We have to see that such issues are not used for political ends."

It was probably a futile wish. Mr. Gandhi is concerned by defections from longstanding Moslem support of his party. Moslem voters contributed to a big Congress

defeat in December in the northeastern state of Assam, where Hindus had protested against illegal Moslem immigrants from Bangladesh. Mr. Gandhi had agreed to disenfranchise or even expel millions of these immigrants.

Many analysts say Moslems are reacting to growing nationalism among Hindus. Tolerance has long been a central tenet of their religion, one of the world's oldest and most complicated. But the emergence of India as a secular state seems to have sowed the seeds of Hindu revivalism. Indeed, Hindu revivalist sentiment is a leit-motif in many Indian crises. For example, many Hindu leaders see a threat to their religion, or at least to their dominance of secular India, in Sikh insistence on governing the state of Punjab.

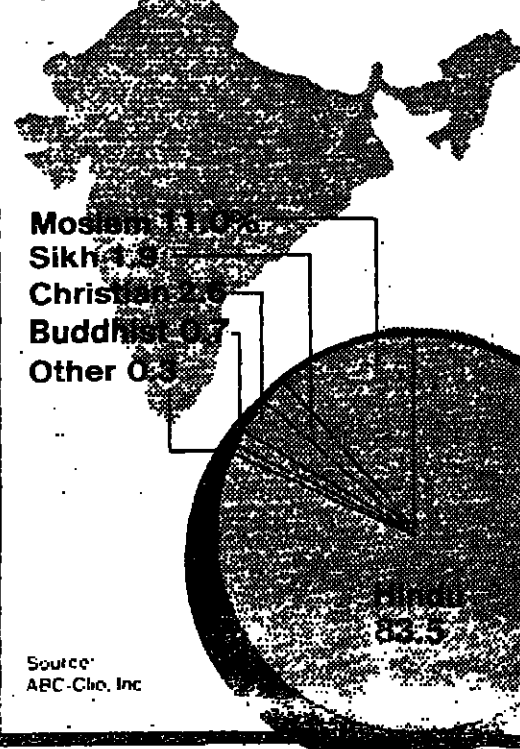
And one reason India has lately tried to ease tensions with Pakistan, many analysts suggest, may be concern about further antagonizing Indian Moslems. There is also high-level concern about the loyalties of some people in predominantly Moslem Kashmir, a region claimed by both countries and at issue in three wars.

Throughout India, groups promoting Hindu history, culture and religion are proliferating. Experts see this as a healthy trend but with a worrisome potential.

"To me, Hindu-Moslem antagonism is much more frightening than the antagonism between Hindus and Sikhs," a Bombay businessman said. "In fact, it's what makes me worry most about the future of India."

The religions of India

Percent of population



Source: AEC-Clio, Inc.

The Nation

Viewing the Crisis From the Back 40

THE fact that troubled farmers are winning more sympathy from city residents than from their rural neighbors, according to the latest New York Times/CBS poll, did not surprise John Schnittker, an agriculture expert or even many farmers. There are easily identifiable reasons for the phenomenon, said Mr. Schnittker, a Washington consultant who was a Deputy Secretary of Agriculture in the 1960's — not the least of them the closer knowledge of agriculture among rural people. "They are right out there and can see the mistakes that have been made," Mr. Schnittker explained.

Richard Houser, an Iowa farmer who acknowledges heavy debt, tends to agree. "There were a lot of people who were envious" when agriculture was booming and farmers were expanding in the 1970's, he says. Now, he adds, some of his neighbors "say we deserve what we are getting because we tried to take over the world."

The Times/CBS poll showed, among other things, that 51 percent of people living in cities of more than 500,000 but only 41 percent of rural people thought Federal spending on farm programs should be increased.

Similarly, 59 percent of big-city dwellers, but only 47 percent of rural people, said they would be willing to pay higher taxes to keep small farmers from losing their land. And while 26 percent of rural people put at least some of the blame for agricultural problems on farmers themselves, only 12 percent of those polled in large cities agreed.

Mr. Schnittker and Mr. Houser do not quarrel with the generally accepted explanations for the severe hardships in agriculture. A sharp decline in exports, prices and land values has followed a boom that accompanied an ebullient expansion of farming operations in the 1970's. The farmers were encouraged to expand by Government economists and officials as well as by their own lenders, who declared the prospects boundless.

Economists such as Mr. Schnittker acknowledge that Government policies have aggravated the problem, but, he says, it is clear to rural people that the expansion of the 70's in many cases exceeded the bounds of prudence. He and other experts also note a vein of conservatism that has always run through rural areas and has led to resentment against the deep involvement of Government in agriculture.

—WILLIAM ROBBINS

Eastern Takes A Texas Air Offer Of \$600 Million

After winging it through months of financial turbulence, Eastern Air Lines agreed last week to turn over the controls to high-flying Texas Air Corporation.

As Frank Borman, Eastern's chief executive, told it, his company had no choice. Burdened with \$2.5 billion in debt — much of it used to pay for new planes — Eastern had been under pressure from its lenders to cut costs significantly by the end of February. Eastern's board of directors accepted the Texas Air offer, Mr. Borman said, only after Charles E. Bryan, president of its machinists' union local, refused last week-end to follow the lead of pilots and flight attendants and accept broad wage concessions. Mr. Bryan, for his part, maintained that Eastern officials had attempted to bully union workers and were "trying to protect their chairman." Before negotiations stalled, Mr. Bryan was said to have demanded Mr. Borman's replacement.

The takeover, which still has to be approved by shareholders, the Federal Government and a long line of Eastern creditors, will cost Texas Air nearly \$600 million. If approved, the merger will land Texas Air, which operates Continental Airlines and New York Air, in first place among American carriers and provide the Houston-based company with lucrative routes to Europe and Latin America. Texas Air's chairman, Frank Lorenzo, said Eastern would retain its Miami base, its management and its name and would be run as a separate entity.

In a joint request filed on Friday, Texas Air and Eastern asked the Department of Transportation to approve the merger on an "expedited basis." The airlines said the acquisition would permit Texas Air "increased opportunities to pursue its tested strategy of competing on the basis of lower fares, much to the benefit of consumers." Antitrust specialists predicted that Texas Air would be required to sell either East-



Frank Lorenzo, chairman of Texas Air, in Miami last week.

ern's or New York Air's shuttle routes connecting New York, Washington and Boston.

Under deregulation, the airlines' urge to merge has become increasingly intense, and late in the week it was announced that Trans World Airlines would acquire Ozark for about \$225 million.

Angiulo Convicted Of Racketeering

A scene that has been recurring across the country with escalating frequency over the last few years unfolded in a Boston courtroom last week as reputed organized crime bosses and their lieutenants heard a Federal jury convict them of racketeering charges.

After the longest criminal trial in Massachusetts history, the jury found Gennaro J. Angiulo, two brothers and an associate guilty of racketeering activity that included murder, illegal gambling and loansharking. A third brother was found guilty of illegal gambling, but not racketeering. Mr. Angiulo, described by the Government as the underboss of the Patriarca crime family of Rhode Island, faces the toughest maximum sentence, 150 years in prison and fines of \$185,000.

Because the defendants were charged under sweeping Federal racketeering laws, they heard even more bad news. The jury ruled that they must forfeit, as the proceeds of illegal activity, a Boston building al-

leged to be their headquarters, two other properties, half the \$372,000 in cash and \$300,000 in bonds seized in a 1981 raid on the alleged headquarters and a part interest in a yacht.

The defendants sat stoically through the reading of the verdict, except for the 66-year-old Mr. Angiulo, who bantered with reporters. When the judge set sentencing for March 20, he said, "That's my birthday. They can't do that."

Senate Agrees To Try a TV Pilot

Torn between being passed over by the eye of history and having its deliberative untidiness laid out before the world, the Senate last week finally tipped a toe into the electronic age, agreeing by a vote of 67 to 21 to televise its proceedings starting June 1 — though only on a trial basis. In midsummer, the senators will vote on whether to make gavel-to-gavel broadcasting permanent.

In more than three weeks of sometimes stormy debate on the resolution, supporters maintained that television coverage would unwrap

what Senator Ted Stevens, the Alaska Republican, calls "the cocoon of ancient rules" that on occasion confuses and paralyzes the chamber. Letting the light shine on the confusion was what worried the waverers. "The Senate doesn't work very well," said Lawton Chiles, the Florida Democrat. "My gosh, if we let people see what's going on here, we've got to make it work better."

That is exactly what the majority leader, Bob Dole, Republican of Kansas, and the minority leader, Robert C. Byrd, Democrat of West Virginia, would like. They tried to use the debate over television to streamline Senate procedures. To some extent, they succeeded, winning as part of the resolution a change in Senate rules that would make it more difficult for members to prolong filibusters, which now can go on almost indefinitely.

House proceedings have been televised since 1979, and 23 million households are equipped to receive C-SPAN, the cable channel that carries the broadcasts. No precise measurement of how many people actually watch is available.

Michael Wright and Caroline Rand Herron

Verbatim: Thinking Business

'I do have a different view than Chairman Volcker, a man I greatly respect. I think he has done the right thing time and time again. But on the question of the decline of the dollar, he is thinking as he should, as an economist. The effect will not be as severe as the Chairman fears because businessmen think like businessmen, not like economists.'

Malcolm Bakridge

Secretary of Commerce,

arguing that foreign businessmen will not take advantage of a falling dollar by raising prices, as Federal Reserve chairman Paul A. Volcker fears, but will try to preserve their share of the American market.

A Primer on Congressional Options

Where the gasoline goes

	Population (in thousands)	Gasoline use per capita, 1983 (in gallons)
Wyoming	514	603
Oklahoma	3,288	537
Nevada	891	521
Texas	15,724	516
Montana	817	513
New Mexico	1,399	512
Delaware	806	499
Georgia	5,732	496
Missouri	4,970	488
North Dakota	680	483
Kansas	2,425	480
Tennessee	4,685	478
Louisiana	4,438	472
Arkansas	2,328	468
Arizona	2,963	464
South Dakota	700	462
Alabama	3,959	458
North Carolina	6,082	458
South Carolina	3,264	458
Kentucky	3,714	454
Iowa	2,905	453
Florida	10,680	450
Minnesota	4,144	446
Virginia	5,550	446
Colorado	3,139	442
Nebraska	1,597	442
Vermont	525	441
Maine	1,146	438
Oregon	2,662	436
Indiana	5,479	435
New Jersey	7,468	433
Washington	4,300	432
Maryland	4,304	431
Mississippi	2,587	431
California	25,174	424
Idaho	980	423
Ohio	10,748	413
New Hampshire	959	411
Connecticut	3,138	407
Utah	1,619	407
Wisconsin	4,751	402
West Virginia	1,965	398
Michigan	9,069	390
Massachusetts	5,767	383
Illinois	11,486	383
Alaska	479	380
Pennsylvania	11,895	360
Rhode Island	955	359
New York	17,667	297
Hawaii	1,023	293
District of Columbia	623	288

Source: Highway Users Federation

Some Tax Proposals for Both Payers and Evaders

By DAVID E. ROSENBAUM

WASHINGTON — Last week, a Senate subcommittee held hearings on proposals to tax imported oil. Other tax plans are under review as the Finance Committee prepares to begin drafting its version of tax-revision legislation later this month. An examination of the variety of measures being considered, and their prospects, follows.

Question. Some people call a levy on imported oil a 'tax,' others, a 'fee.' Is there any difference?
Answer. None at all. The people who call it a 'fee' often use that word because it sounds less harsh than 'tax.' Some people who oppose the idea call it a 'tariff,' which they think sounds worse than 'tax.'

Q. Why is there all this talk about it now?
A. Actually, an oil import tax has been under discussion off and on for more than a decade as a way to raise revenue and limit imports from the Organization of Petroleum Exporting Countries. But two factors have stirred up interest: the plunging price of oil and the search for new revenues that could be used to reduce the budget deficit or to allow more generous tax incentives for business in the tax-revision bill.

Q. What do falling oil prices have to do with it?
A. For one thing, they allow the proponents to argue that the tax would be painless, since consumers would be paying no more for gasoline and other petroleum products than they are used to paying. Furthermore, they say, a tax would reinforce the conservation mentality that became prevalent when oil prices were high.

But a more important reason for the interest is that lower oil prices have created serious economic problems in oil-producing states. Some petroleum companies and the banks that lend to them believe an import tax would be helpful because it would allow domestic producers to raise their prices to the level of imported oil. In fact, the Treasury estimates that domestic oil interests would receive \$1.75 for each \$1 collected by the Government from an import tax.



J. Roger Mentz, Acting Assistant Secretary of the Treasury for Tax Policy, right, and Danny J. Boggs, Deputy Secretary of Energy, discussing taxes before a Senate subcommittee last week.

Q. How much money would an import tax raise for the Treasury?

A. A \$5-a-barrel tax would generate about \$10 billion a year. But that would be at least partly offset by the fact that increased oil prices would lead to slower economic growth and thus less tax revenue from other sectors of the economy. The Congressional Research Service of the Library of Congress calculated that while there would be a revenue increase in most of the next 10 years, in some, Government receipts would be even lower than they would have been without such a tax.

Regional Differences

Q. Where does the opposition come from?

A. From consumer and business groups that fear higher oil prices generally, from industries like plastics and chemicals that produce petroleum products and, most important from a political standpoint, from lawmakers who represent states that do not produce oil. For example, Senator George J. Mitchell of Maine, where most residents use oil to heat their homes, calls an import tax a 'regional transfer of wealth' from states like his to those where oil is produced.

Q. Is it possible Congress will approve an oil import tax?

A. Possible, but not likely. Staff members who

have counted noses in the Senate say a solid majority is opposed to the idea, although they say it has more backing than any other kind of new tax.

Even if it should pass the Senate, the House, which has a much larger proportion of members from the population centers of the East and the Middle West, would probably block it. Some lawmakers who otherwise oppose an oil-import tax might support it if the revenue were used to reduce the deficit, but President Reagan has said he would consider such a tax as long as the receipts were used only within the context of tax-revision legislation, to give lower rates to individuals and better tax breaks to business.

Q. If Congress won't pass an oil import tax, do any other new taxes stand a chance this year?

A. Some people are talking about a tax on gasoline only. That is strongly opposed by legislators from Western states whose constituents drive long distances, but it has some support from lawmakers in the East because it would raise revenue without increasing the price of heating oil. Others talk about a tax on all forms of energy and still others about a 'value added tax,' a kind of national sales tax used by European countries. Senator William V. Roth Jr., Republican of Delaware, has advanced a form of value-added tax that he calls a business transfer tax.

None of these proposals seems to be going anywhere. Congress and the President might agree to increased excise taxes on alcohol and tobacco, so-called sin taxes, but that would not raise much money. Some lawmakers believe that if President Reagan proposed and pressed for a combination tax on both oil imports and gasoline that would affect all regions of the country equally, it might be enacted. But the President has shown no sign of adopting such a stand, and it could never be passed without the President's support.

Q. What about a tax amnesty that would give delinquent taxpayers a chance to pay what they owe without penalty?

A. Several states have raised millions of dollars this way, and dozens of lawmakers, including Senator Bob Dole of Kansas, the Republican leader, have embraced the idea. The Treasury says tax evaders cheat the Government out of almost \$100 billion a year. No one is sure how much money an amnesty would generate, but it would be bound to raise some money that would otherwise go uncollected. Treasury Department officials worry that an amnesty would be perceived as unfair by people who pay their taxes honestly, but they say they are studying the matter anew. If the Administration endorsed an amnesty, it could probably pass Congress overnight.

Investigating Conditions at a Tennessee Nuclear Processing Plant

When Complaints Reach a Critical Mass

By DUDLEY CLENDINEN

ERWIN, Tenn. — Here, fenced and guarded and nestled against a mountain ridge in eastern Tennessee, stands an atomic fuel factory that has become the center of a dispute over precisely how safe working conditions should be in a nuclear installation.

The facility, operated under contract to the Department of Energy by Nuclear Fuel Services Inc., is unique in at least two ways. For one, it is the only manufacturer of the atomic fuel that powers the Navy's nuclear submarine fleet. And as such, it has more workers handling more highly enriched uranium than any other nuclear processing installation in the nation.

The uranium is 97.3 percent pure, the most radioactive attainable. Both the radioactivity and toxicity of uranium are a concern because the former can cause lung and bone cancer, and the latter kidney damage.

The plant and its products have come to public attention because the workers have complained of frequent high levels of radiation in the work areas and lunchrooms, of spills and accumulations of uranium dust, of

recurring kidney pain, of blood in the urine, of bone and prostate problems. The company, in response, contends that it operates the plant in accordance with Nuclear Regulatory Commission standards.

The two versions of plant routine seem worlds apart — as indeed its management and workers often appear to be. The production workers, members of the Oil, Chemical and Atomic Workers International Union, have been on strike for more than nine months. The plant has a history of violent labor disputes. Both the guards at the factory and the workers who gather at strike headquarters across the road each day are armed. There has been occasional gunfire. According to Tom Lee, the commission's resident inspector at the plant, the company, which is required to report on itself, need not pass on worker complaints about conditions. And the workers, he said, rarely complain to him.

The workers' charges, in the wake of a January accident at a Kerr-McGee uranium processing plant in Oklahoma that killed one employee, have set two investigations into motion. One is by the Nuclear Regulatory Commission, which dispatched three inspectors from its Atlanta office last week to listen to the union members. The

other is by the House Subcommittee on Energy Conservation and Power, headed by Edward J. Markey, Democrat of Massachusetts. Investigators have found details about the plant not easy to come by. When Mr. Markey wrote to the commission asking for records, the N.R.C. produced some material but held back the rest, saying it was classified. The subcommittee, said an N.R.C. spokesman, did not have the proper security clearances.

The Risks of Talking

The commission has five branches monitoring the plant's performance on various levels, and those staff reports all come together in the office of J. Philip Stohr, Director of the Division of Radiation Safety and Safeguards in the Atlanta regional office. The commission supervises this plant more carefully than any other nuclear fuel facility in the country, and yet "our inspection program is essentially a sampling program," Mr. Stohr said. "We don't have the resources to inspect everything that is happening at the plant."

The commission inspectors spend about two weeks a year checking specifically on health and safety practices at the plant, but it relies primarily on the company's ad-

herence to Federal reporting regulations to know what is happening at the installation.

"We may not have been notified of everything we should have been," Mr. Collins said. "I can't say."

The N.R.C. says it has had difficulty getting information from the workers to substantiate their complaints. The problem, Mr. Collins said, is that workers were afraid they would lose their security clearances if they talked about the plant's classified operations — and thus risk being fired.

Meanwhile, Dr. Kenneth Miller, a physician specializing in occupational and environmental health who is employed by the union's Washington office, is trying to arrange to examine the workers and their health records for "what I suspect — which is long-term kidney damage." Permanent kidney damage from the toxic effects of uranium dust, inhaled through the lungs, circulated through the blood and deposited in the kidneys, has been established in animals but never detected in humans at the levels of exposure the N.R.C. allows, said Robert E. Alexander, Chief of its Radiation Risk Assessment and Management Branch.

For that reason, Mr. Alexander said, the nephrotoxic limitations on worker exposure have not been changed since they were first published in 1960. But if a current National Academy of Sciences study commissioned by the N.R.C. recommends that the standards be tightened, Mr. Alexander said, "I believe they will be."

Murdoch Savors His British Coup

Says his victory against Fleet Street unions adds muscle to an empire loaded with debt.

By JOSEPH LELYVELD

NEVER has a potentate under siege appeared so relaxed and pleased with himself. Rupert Murdoch still sits behind rolls of barbed wire and high steel gates at "Fortress Wapping," as the new headquarters of his British newspaper empire has been dubbed since he consolidated here on the banks of the Thames in the face of a strike by 5,800 print and other workers. But having maintained nearly complete press runs without the strikers for five weeks, he is past the point of gloating or claiming victory. Whatever the pickets outside may think, in his own mind he has won.

The pickets at the gates are locked out — forever, he says — and so, for all practical purposes, are the once-mighty unions that have long dictated terms to Fleet Street press moguls. For more than a generation, the unions told them how many papers they would print, how they would print them, with how many unneeded or fictitious "ghost" workers claiming overtime, even, on occasion, setting limits on what they would be allowed to say.

As if that were not enough, the Trade Union Congress — the exalted high command of what was Europe's most powerful labor movement before Prime Minister Margaret Thatcher's new labor laws began to bite — has had to save itself from fragmenting by ordering the unions involved not to negotiate with Mr. Murdoch. In effect, licensing him to operate his four papers on a nonunion basis, at least for the duration.

Now, two weeks before his 55th birthday and less than a week before he is due to take possession of six Metromedia television stations in the United States, the ex-Australian presents himself as free and clear in what has been his empire's most profitable outpost.

The Metromedia closing, scheduled for Thursday, will follow by two days the inauguration here of a new national daily called *Today*, the brainchild of Eddie Shah, the owner of a string of provincial papers. Throwing down the gauntlet to the established newspapers, Mr. Shah saw an opportunity to displace with the old print unions by producing his newspaper with the technology — new to Britain but in use in the United States for years — that enables an editor to set type by simply pressing a button on a video terminal. The Shah experiment was expected to signal the start of a long-stalled newspaper revolution.

But Rupert Murdoch got there first. With *Wapping*, the man who controls 30 percent of the newspaper circulation market in Britain — by far the largest chunk of the market — has demonstrated that it was not impossible for the old "titles" — the established papers — to steal a march on the unions.

The ramifications for the heavily competitive British newspaper world and for his big American interests are just coming into focus. But Mr. Mur-

doch is not coy about putting a dollar figure on the value of his feat of so-called "demonization."

In the next fiscal year, beginning July 1, he says, it should amount to an additional \$80 million in cash flow for News International, the British unit of the News Corporation, his main holding company. If that proves correct, the increased earnings could become an important part of the answer to those who have been wondering just how Mr. Murdoch planned to carry the huge \$2.6 billion debt burden that he took on to pay for Metromedia and other purchases, including 20th Century-Fox.

In an interview, he said that meticulous planning went into his victory here, insuring that, in the event of a strike, he would be in a position to exploit the Thatcher laws, which severely restrict industrial action by trade unions, and the new technology

An investment banker who closely follows the multitude of Murdoch enterprises also argued that the Wapping battle could not be considered over. Mr. Murdoch had lost print capacity in his move to Wapping, which is about a mile from Fleet Street, and had to shed circulation every Sunday of the News of the World, he noted. This, together with his increased distribution costs, made it unlikely that he had started to realize higher profits. He might still be forced into a costly severance settlement with the unions, this analyst suggested.

For his part, Mr. Murdoch said that the strike would have hurt more if the timing had been different, particularly if it came in the pre-Christmas, heavy advertising period. If the unions had waited until June, allowing him to introduce an afternoon paper called the *Post* that was his excuse for moving computers into the

workers in America and elsewhere but didn't really believe, it seemed, what they had been told about the new technology. "They were victims of their own delusions," said Rupert Murdoch, explaining why his sleight of hand worked.

Mr. Murdoch's readiness to consider a deal to normalize the situation at Wapping — without opening the door to the old print unions — was signaled recently when News International began exploratory talks with an official conciliation service.

If the unions had not struck, they might have claimed upwards of \$80 million in severance, according to figures Mr. Murdoch supplied. But in a strike, British law enables Mr. Murdoch to make the dismissals stick, which changes the bargaining terms because, obviously, the strikers have little more to offer than the withdrawal of the picket line.



Rupert Murdoch: 'What we didn't show them was our computer.'

at Wapping. A central issue in the strike was the introduction of new technology.

He insisted that without the unions' bad timing and tactical blunders he would never have achieved the breakthrough that may increase News International's profitability by as much as 75 percent next year, according to figures the company has made available to analysts here. "The unions completely messed it up," he said in the after-the-game tones of the winning coach. "They read how we were buying television stations in America and they thought we needed the earnings here and that they'd put me out of business for two weeks. Their own words were that in two weeks, we'd be on our knees."

Brenda Dean, general secretary of Sogat, the union representing most of Mr. Murdoch's dismissed workers, said that her members were basically left no alternative but to strike. The terms they were offered, she says, would have put most of them out of work anyway with minimal compensation, while emasculating the union.

"His plans were so well-laid," Miss Dean said. "He couldn't have cared less whether he had an agreement or not." She acknowledged that Mr. Murdoch had the upper hand but said he was exaggerating his victory claims. His papers were missing late news, she said, and his overstrained presses were not getting proper maintenance. He still needed an agreement, Miss Dean contended.

Wapping plant, he might have been hard-stretched to maintain production of all of his papers here. They include *The Times* and *Sunday Times*, at the high end of the market, as well as the tabloid *Sun* and *News of the World*. The *Post*, which had been scheduled for introduction in March, has now been put on the back burner.

"They'd all been through here seeing the presses," he said of union officials. "What we didn't show them was our computer. They knew we were putting in computers because

Murdoch says he never could have done it without the unions' bad timing and their tactical blunders.

we said we were doing that for the *Post*, but they never saw the extent of our preparations for type-setting. Yet the place had hundreds and hundreds of construction workers and people here all the time. Anyone could have worked it out."

The unions knew that newspapers had been produced without print-

Although nothing has been formally put on the table, the numbers News International officials mention when asked about the likely cost of any settlement with the old unions and their members hover around a comparatively meager \$20 million, which would be paid into special funds for retraining and the relief of "hardship." Although Mr. Murdoch insists he will not rebuke the striking workers, a settlement would enable him to stop the picketing and distribute his papers as he did before the strike.

Rupert Murdoch has never been a popular figure in Britain. In the satirical weekly, *Private Eye*, he is routinely described as "the Dirty Digger." The *National Theatre's* repertoire includes a latter-day morality play called "Pravda" in which a caricature of Rupert Murdoch ruthlessly exploits the pathetic ambitions of corrupt journalists. Yet, on balance, the audaciousness of his Wapping coup has probably won him as much respect as opprobrium, thanks to a general readiness to conclude that the print unions had it coming to them.

His Fleet Street competitors, who reach that conclusion more easily than the public, have reason to feel ambivalent. They appear to take his victory claims at something like face value, with a mixture of gratitude and fear: Gratitude for strengthening their hands in their own negotiations about the new technology, with the shellshocked unions now in ragged retreat from Wapping; fear that he will use his strengthened position to undercut them competitively by cutting the price of his papers as he did once with the racy, jingoistic *Sun*; or underselling them on advertising rates.

Under the looming shadow of Eddie Shah, the competitors were already edging their way to their own showdowns with the unions on technology and overmanning issues. The *Guardian* and the *Daily Telegraph*, both in direct competition with the *Times*, are investing heavily in new printing operations in the docklands area just beyond Wapping.

At the notoriously overstuffed *Daily Telegraph*, the modernization was undertaken without sufficient capital or any real plan for tackling the union issues, with the result that the paper's former owners were forced last year to accept a rescue bid by the Canadian financier Edward Black. A new management, in place for only a month, promises a rapid elimination of unneeded jobs and new vigor under a new editor.

Robert Maxwell, the publisher and owner of the *Daily Mirror*, which is a direct competitor of Mr. Murdoch's *Sun*, used the Shah threat to bludgeon his unions into agreeing to the elimination of 2,000 jobs. Last month Mr. Maxwell announced plans to introduce a new tabloid from Glasgow, to start this month, that will have, like Eddie Shah's *Today*, a capacity to print pictures and other graphics in color.

Mr. Murdoch is skeptical of forecasts that the technology will lead to a rush of new newspapers. Nearly 15 million papers are sold daily in a country of 56.5 million people. "You've got to find readers somewhere and I doubt that the market can stand much expansion," he said. "It's got to come out of someone else's hide, and that's hard work."

His own tactics, he said, won't involve the price-cutting or systematic discounting of advertising rates that some of his competitors fear. "It's the first time in 100 years that *The Times* has become profitable, so I think we'll enjoy that for a little while," he said.

The Economy

WEEK IN BUSINESS

Texas Air Comes To Eastern's Aid

Texas Air's \$900 million bid for Eastern shook up the passenger carrier industry and carries long-term implications for the post-deregulation era. Frank Lorenzo, Texas Air's chairman, is aiming to build a major route system by combining Eastern's modern fleet with his smaller Continental and New York Air operations. That would probably require him to divest some of the Washington-New York-Boston shuttle routes that New York Air has been working to build against Eastern's shuttle. But the cost-cutting for which Mr. Lorenzo has become known in the industry promises continued fare competition.



Frank Lorenzo, top, and Frank Borman

Eastern was pressured into the sale by its creditors — who loaned it the money to modernize — and its unions. The unions, which represent half the carrier's workers, own about 20 percent of Eastern, which they got in return for past concessions. They have balked at further cuts, saying Eastern's chairman, Frank Borman, is looking in the wrong place. Creditors, meanwhile, say the carrier still must get more concessions, or they will force it to default. Mr. Borman is hoping Texas Air will help Eastern out of the muddle. Although the unions say the deal is ill-advised, and seek Mr. Borman's ouster, Mr. Lorenzo said he will keep the former astronaut on board — for now.

T.W.A. and Ozark will merge in a \$225 million deal that would give T.W.A. control of about 75 percent of the traffic at St. Louis. That is likely to raise antitrust objections. And some of T.W.A.'s unions want to know where Carl C. Icahn, who was just barely able to wrench T.W.A. out of Mr. Lorenzo's reach, is getting the cash for Ozark.

American started a new fare war by slashing prices on most routes for the spring. The new fares were quickly matched by competitors.

Consumer prices rose just three-tenths of 1 percent in January, maintaining a pace of significantly lower inflation. And the promise of continuing low oil prices indicates inflation will be all but non-existent for the next few months, most economists say. Orders for durable goods rose just four-tenths of 1 percent, and that only because military orders were strong. The trade gap in January was a record \$16.5 billion. The lower dollar has not yet increased demand for American products abroad.

The markets are giddy with the prospect of low inflation, lower interest rates and falling oil prices — which dropped below \$13 a barrel on spot markets. Bond yields have dropped sharply in recent weeks, and that has helped to fuel the stock market rally. Indeed, the Dow Jones industrial average passed 1,700 last week, just three weeks after it hit 1,600. For the week, the Dow gained 11.36, closing at 1,709.06.

British Petroleum unexpectedly ousted the two top officers at Standard Oil, asserting its authority for the first time since it gained a 55.5 percent stake. B.P. will replace Alton W.

Brazil plans sweeping changes in its pursuit of economic austerity. Among the changes are the introduction of a new currency, the cruzado, an increase in minimum wages and indefinite price freezes. President José Sarney is hoping the drastic measures will convince creditors that it can control its \$100 billion debt.

Eight investors will repay \$7.8 million derived from insider trading in the takeover of Santa Fe International by Kuwait. The settlement of S.E.C. charges is the largest to date, and was the first time the S.E.C. was able to overcome Swiss banking secrecy laws in pursuing a case. The eight defendants, most of them Middle Eastern businessmen, reportedly were tipped off that the \$2.5 billion deal was in the works.

Merrill Lynch is revamping its commission schedules to shift some of the company's emphasis to banking services. Brokers will receive slightly less on stock and bond transactions, but will share in the proceeds on Cash Management Accounts and margin accounts. The move is intended to steer customers to non-traditional services while cementing customers' loyalty to the firm rather than to an individual broker.

Sanford I. Weill still wants to run BankAmerica, and is willing to pay for the chance. The former president of American Express has reportedly offered to pump substantial capital into the troubled West Coast bank if he becomes its chief executive. BankAmerica rebuffed his first offer, and is likely to do so again.

Pulitzer Publishing was offered \$500 million to sell to A. Alfred Taubman, a New York real estate developer. But Pulitzer, which publishes the St. Louis Post-Dispatch, is resisting.

IS MURDOCH OUT ON A LIMB?

To create one of the world's largest communications empires, Rupert Murdoch has assumed an enormous \$2.6 billion debt. He has expressed confidence that the means will be found to repay the debt without undue strain, and some analysts and banking experts agree. But others say that Mr. Murdoch's financial position has serious vulnerabilities, and that by leveraging it so fully, he is taking the biggest risk of his life.

"I think he's very, very much on a knife edge, and this is a big roll of the dice," said Christopher J. H. Shaw, president of Henry Ansbacher & Company, an investment banking firm specializing in communications companies, with New York and London offices.

In little more than a year, Mr. Murdoch has incurred debt of \$575 million to buy 20th Century-Fox, the film studio, and \$350 million to buy 14 magazines from Ziff-Davis. He also agreed to pay \$1.65 billion to buy six independent television stations owned by Metromedia. Interest on this debt will be about \$300 million this year.

How difficult will it be for Mr. Murdoch to make his payments? There are two schools of thought.

On one hand, analysts say Mr. Murdoch has been deeply in debt before, but never defaulted and has proven business acumen to go with his ambition and daring. The News Corporation, the holding company 49 percent-owned and controlled by Mr. Murdoch and his family, had revenues of \$2.6 billion for the fiscal year ending last June. If the new acquisitions had been included last year, the company would have been \$50 million short of the needed cash flow to pay the debt, said Richard A. Sarazen, News Corporation's chief financial officer. For fiscal 1986, he projects a \$200 million cash flow rise, which would result in a \$150 million surplus after the \$300 million debt service is paid.

He says the dramatic increase in cash flow — pre-tax profit plus depreciation and amortization — will come from three main sources: 20th Century-Fox will improve its cash flow by about \$75 million, Metromedia television stations will show a \$25 million cash flow improvement, and \$100 million will

come from the rest of the Murdoch companies; with up to \$80 million of it expected from cost savings at the British newspapers.

In the event of financial trouble, analysts note that Mr. Murdoch could sell assets, such as his 50 percent interest in Ansett, an Australian airline, said to be worth about \$200 million, and a stake in Reuters, the news agency, worth another \$200 million. But some analysts say such high leveraging is reason for some anxiety. "I'm a little nervous about it," said J. Kendrick Noble Jr. of Paine Webber.

Some argue that the financial health of movie studios such as 20th Century-Fox is wildly unpredictable. They also doubt that Mr. Murdoch, who typically lifts profits by cutting costs, can operate the Metromedia stations at much lower costs than did John Kluge, also known for tight operations. Others are skeptical of the projected windfall from the London newspapers. There could be a potentially expensive settlement with unions, and the cost savings could be lower than the company projects. They say Mr. Murdoch is also banking on favorable tax rulings, such as acceptance by the I.R.S. of his argument that dividends on \$1.15 billion in new 20th Century-Fox preferred stock issued to finance the Metromedia purchase should be treated as interest on a debt, and hence be tax deductible.

Some analysts say it is significant that the 20th Century-Fox preferred stock, which has been sold during the past month, offered an average of 14 percent interest over three years and, if not redeemed in three years, would begin to convert into common stock. In effect, if the company cannot come up with \$1.15 billion in that period to buy back the stock, Mr. Murdoch's ownership would begin to be diluted, and his control could be at risk. To agree to such a provision indicates how far Mr. Murdoch had to go to attract buyers for the stock.

But Mr. Sarazen said that, within the three-year period, the company expects to have \$1.15 billion available out of cash flow and increased borrowing capacity created by asset appreciation. "It will be done easily," he said.

Alex S. Jones

The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED FEB. 28, 1986

Company	Sales	Last	Net Chng
East Air	23,037,900	8%	+ 2%
U Carb	15,801,300	19%	...
Es Kod	14,351,100	56	+ 4%
Bnk Am	11,877,300	17%	+ 3%
AT&T	10,806,100	22%	+ 1%
IBM	10,705,200	150%	- 8%
Ohio Ed	8,294,000	18%	+ 1%
US Steel	7,467,400	23%	+ 1%
Texaco	6,976,400	30%	+ 1%
Exxon	6,519,000	52%	- 1%
Moab	6,436,000	29	+ 1%
Phil Pt	6,028,800	10%	+ 1%
John Ja	6,025,300	49%	+ 1%
Ocul Pet	5,689,800	26%	+ 1%
Wn Air	5,422,100	10	+ 1%

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MARKET DIARY

Advances	Declines	Total Issues	New Highs	New Lows
1,382	688	2,256	806	46
1,502	510	2,225	790	68

VOLUME

Advances	Declines	Total Issues	New Highs	New Lows
824,134,728	577,401,309	5,008,150,380	5,008,150,380	5,008,150,380

Standard & Poor's

Company	Sales	Last	Net Chng
400 Indust	250.3	245.9	250.0 +2.46
20 Transp	212.8	208.9	210.3 +1.86
40 Util	100.9	98.5	100.6 +2.66
40 Finand	28.3	27.9	29.1 +0.58
500 Comp	227.9	222.6	226.9 +2.30

The American Stock Exchange

Company	Sales	Last	Net Chng
400 Indust	250.3	245.9	250.0 +2.46
20 Transp	212.8	208.9	210.3 +1.86
40 Util	100.9	98.5	100.6 +2.66
40 Finand	28.3	27.9	29.1 +0.58
500 Comp	227.9	222.6	226.9 +2.30

MARKET DIARY

Advances	Declines	Total Issues	New Highs	New Lows
565	230	129	203	32
487	309	125	183	50

VOLUME

Advances	Declines	Total Issues	New Highs	New Lows
85,632,640	509,729,030	43,374,900	407,936,210	407,936,210

The New York Times

Founded in 1851

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A Not-So-New Soviet Man

"The Government has lost the confidence of the people, so it has to elect a new people," Flora Lewis recalled Bertolt Brecht's penetrating quip in Moscow, where she's been listening to a rejuvenated leadership's ideas for getting the Soviet Union moving again. The German Communist playwright first made the comment while watching the suppression of a workers' revolt in his workers' state in 1933.

The ironic sequel is that walled-in East Germany now leads the Soviet bloc nations in both production and consumption; it has become the unspoken inspiration for many of Mikhail Gorbachev's managerial innovations. East Berlin's achievement owes much to the fact that Germans are Germans, no matter how burdensome the regime for which they labor. Not the least of Mr. Gorbachev's problems is that Russians are not.

As Lenin knew from the start, Russians are poor material for a collectivist order. They were promised a centrally run but fair, efficient and free society on the strength of the boast that peace and bread would change their essential human nature and produce a truly selfless New Soviet Man.

Mr. Gorbachev, like most Communist leaders, has scrapped that theory but cannot escape the centralized political system it rationalized. So he would have the system discipline the people by new means, with rules against drinking and loafing and bonuses for German-like efficiency.

To be sure, Mr. Gorbachev came before his first Communist Party Congress as a vigorous sponsor of change. He has quickly replaced the tired old men of the Politburo with younger, more energetic associates. He consolidated some overlapping ministries

and evoked an orgy of criticism of bureaucratic and social habits. But all that was managed from the center, with no participation even by the 5,000 select delegates to the Congress, the nominally sovereign power in the Soviet system.

The people are still to be given their incentives and rights from the top. Their success will continue to be measured by the ordained Plan, not by the "market principles" that even China now consults to measure the cost of things and to promote impressive growth.

Droning on for five and a half hours about the state of his union, the new Soviet leader was eloquent enough about "the inertness and stiffness of the forms and methods of administration, the decline of dynamism in our work and an escalation of bureaucracy." And by Soviet standards, he sketched out considerable innovation. He promised farmers the right to sell freely any produce that exceeds their assigned plans. He vowed that the prices of consumer goods would incorporate the regime's perception of demand.

Such measures may indeed produce a spurt of growth; they would legalize the black and gray markets that now dominate Soviet distribution and provide more of the goods that will make money bonuses worth earning. But if the market is not allowed to tell managers their true costs and to register consumer demand fully, Mr. Gorbachev's younger ministers will be no more successful than their fathers at decreeing the goals of production. And given the non-market foundation of their political power, they will end up going Brecht's way, blaming the people rather than the system.

The Frailties of Machines and Men

The Presidential panel on the shuttle disaster has elicited some riveting testimony. Parts of it are quite reassuring. Morton Thiokol, maker of the shuttle's booster rockets, has some meticulous, articulate engineers. Months before the accident, they had warned of "losing the flight" unless improvements were made in the booster rocket seals that are a leading suspect in the tragedy. For fear the seals wouldn't work in the colder weather predicted on Jan. 27, they argued strenuously against launching Challenger the next day.

NASA officials challenged that advice, contending that they always examine the premises of advice offered them. Fair enough: with hundreds of engineers reporting, NASA cannot allow the most anxious among them to veto a flight. But on this occasion Thiokol's engineers — and even managers — felt the usual standard of proof being inverted. Instead of having to prove their equipment was safe to fly, they were being asked in effect to prove it was not safe. As a panel member, Richard Feynman, pointed out, that sort of proof was impossible: even on the day of tragedy, most of the seals did not fail.

Asked to think again, Thiokol's managers called a recess in their phone conference with NASA. When they came back on line and overrode their engineers' judgment, the NASA team made no attempt to probe the reason for the reversal or even to report this unique pre-flight controversy to the officials waiting to make the final launch decision.

What made the Thiokol management so eager to overrule the considered, expert judgment of its engineers? Apparently, just a few sharp words from NASA. One agency official said he was "appalled"

at the engineers' interpretation of their own data. Another even scoffed that Thiokol was proposing new weather standards that wouldn't let him launch "till April." Thiokol is said to have had no reason to fear for the renewal of its NASA contract, but if not, what did its reconsidering executives mean when they asked their chief engineer "to take off your engineer hat and put on your management hat"?

The puzzle turns on what hat NASA was wearing. The only reason its officials could have had for leaning so hard on Thiokol was the pressure the space agency was generating to get the oft-delayed shuttle flying like a scheduled airline. Rockwell, the maker of the shuttle, also advised against launch on Jan. 28 because of ice. For the first time, two contractors were telling NASA that it might be unsafe to fly.

Perhaps NASA felt pressed by the cumulative disappointments of the shuttle program. Perhaps it was also feeling pressure from a White House, then writing a paean to technology into the State of the Union address, or a Pentagon screaming to get its satellites in orbit.

Indeed, the study panel now needs to inquire whether frustration with delays had not led NASA to cut corners for many months. The danger of faulty seals was documented in a Thiokol memo of last July and taken up as a high-priority concern. Yet with no quick fix in sight, was it safe to keep flying even then?

The cause of the tragedy is far from settled. The suspect seals, like the ice, may yet prove innocent. Even so, as the panel now openly concludes, NASA's decision-making on the night of Jan. 27 was clearly flawed. A stitch was dropped and the panel must follow the threads in all directions.

Shots in Stockholm

Olof Palme was the only Scandinavian national leader whose name was generally known in the United States. He gained that distinction by his passionate and reasoned campaign for a world order in which nations large and small would forsake warfare. So the obvious point about his murder last Friday in Stockholm is that this dedicated Swedish Social Democrat was felled by the very impulse he tried to contain.

But his death also makes a less obvious point. In a world of terror, Europe's leaders have been favored with considerable luck. Pope John Paul II and

Prime Minister Thatcher escaped attempts on their lives, and not since 1939, when Rumania's prime minister was slain, has an assassin killed a head of government.

It says a lot about Sweden's complacent security that Mr. Palme had no bodyguard and was killed while strolling from a movie theater with his wife. The shock of his death may begin to persuade European democracies that their leaders, however pacific, can expect no immunity from the same rough beast that slouches through the alleys of Beirut and Belfast.

In Gratitude for the Neediest

Perhaps it was the visibility of the homeless and hungry lining up at soup kitchens. Perhaps it was guilt, the realization that amid general prosperity the number of the poor, especially poor children, is actually growing. Perhaps it was an awareness that as the population ages, the number of lonely and ill old people is increasing.

Whatever the reasons, 13,105 contributors to The New York Times Neediest Cases Fund responded this winter with unprecedented generosity. The 74th annual appeal, which ended last week, brought total contributions of \$2,736,331.40, exceeding the previous record by \$185,800.

There can be no adequate calculation of the amount of help thus given, the suffering alleviated,

the hunger stilled, the warmth brought into shivering lives. This outpouring of care cannot be measured in dollars alone. Neither can the gratitude that we herewith convey to the donors on behalf of the unnamed beneficiaries.

The Times feels privileged to have again presided over this appeal. Even at this moment of acknowledgment, it must be said that the need continues, as does the Fund. Contributions and bequests are welcome at any time and will now be credited to the 75th campaign that begins officially in December.

Such tax-deductible gifts should be sent to The New York Times Neediest Cases Fund, P.O. Box 5193, General Post Office, New York, N.Y., 10087.

Letters

Should Ellis Island Be for the Few or the Many?

To the Editor:

"Emma Lazarus or Elizabeth Arden" (editorial, Feb. 16) implies there were two competing schemes for developing Ellis Island, both commercial, both odious and inappropriate. Not quite.

The Department of the Interior scheme divides the island in two: one side for ordinary visitors, the other to be leased away forever to corporate interests and developed into a hotel and conference center with bars, first-class restaurants and health club. Thus, half the national monument would forever be denied to the public and be for the exclusive use of corporate conferees. That arrangement infuriated Lec A. Iaccoca and prompted him to search for alternatives.

The Iaccoca master plan envisages opening the entire island to the public, half to be about as defined in the Department of the Interior scheme, but the other half, not leased away, but a celebration of this country's ethnic and racial diversity. This half of the island would include a museum devoted to the contribution of immigrants, gardens donated by countries from whose shores immigrants came, an exhibition of crafts and art brought to this country by immigrants and, yes, ethnic foods. (Food is served at every major national monument, including Liberty Island, Colonial Williamsburg and Gettysburg. And if not ethnic food on Ellis Island, what then?)

The large glass building you speak of would contain, according to the Iaccoca program, "an immigrant nation-building museum, an immigrant hall of fame and a presentation gallery for award ceremonies, traveling exhibitions and concerts." No music halls, no brewery. But that was not a take-it-or-leave-it plan; rather an attempt to get the Department of the Interior off its one-half-island approach and point toward developing the island more appropriately to the spirit of the immigrants and their descendants.

There will be no shortage of quiet

and powerful dignity on Ellis Island. The great hall in the main building through which the immigrants passed will be left as is, mute testimony to their hopes and fears. But what of the other half of the island: corporate conference center or celebration of ethnic diversity? That is the controversy.

The Interior Department's charge of commercialism against the Iaccoca program is false. No corporate interests would gain a beachhead on the island, nor would any business or company profit from its development. The only commercial transactions contemplated would be in a shop selling arts and crafts, no different from similar shops at the Smithsonian Institution.



the Museum of Modern Art or the Metropolitan Museum of Art. To equate that with the Interior Department giveaway is misleading.

There is no getting around it; the Interior Department's hotel-conference center proposal is an insult to Emma Lazarus's tired, poor and huddled masses.

HERB ROSENTHAL

Los Angeles, Feb. 17, 1986

The writer was a member of the Iaccoca group as consultant to John Burgee, architect.

Music Festival Site

To the Editor:

The endorsement of the National Park Service to turn Ellis Island into a site for a hotel and conference center (editorial, Feb. 16) is an insult to our heritage and our American pride. To earmark this historic island for so utilitarian a purpose as that is bureaucratic insensitivity at its most feeble.

The Statue of Liberty is an international symbol; Ellis Island, on the other hand, is and will always be primarily a symbol for Americans. Those of us for whom Ellis Island is our Plymouth Rock cannot sanction the use of this site for vulgar or commercial ventures. How fitting it would be to make Ellis Island an international center for music studies; how appropriate if this Venice-like jewel of an island should become the home of a summer music festival of all worlds.

RAFAEL L. URQUIDI

Jersey City, Feb. 14, 1986

Put Museum on Ferry

To the Editor:

Lee Iaccoca's "ethnic Williamsburg" concept for Ellis Island is just as inappropriate as the Park Service's proposals for commercializing the project. The islands (Ellis and Liberty) should be left as they were when our parents or grandparents first saw them. Any enhancements will only trivialize one of America's greatest monuments.

An alternative would be to transform the boats that take visitors to the islands into floating exhibition centers. The boats would thus provide an educational function in addition to dispensing snacks and souvenirs. The land will not be despoiled, and all will enjoy access to the amenities we expect when visiting our national monuments.

WALTER E. STAAB

New York, Feb. 15, 1986

Why It's a Bad Policy To Be Soft on Dictators

To the Editor:

"Where to Dump Dictators" (editorial, Feb. 18) gives the wrong solution to the problem of dealing with fallen tyrants. The only suitable place to dump dictators is the jailhouse.

It is of enormous practical and moral importance that the Jean-Claude Duvaliers of this world know that eventually they will have to face the judgment of their people. Trouble-free luxurious life, financed by robbed wealth, must be eliminated as an option for oppressors.

You argue that if rulers fallen from favor know they will be denied a haven, they will be driven to cling to power at all costs, spreading more violence and death. While this is true, you fail to consider the long-term consequences of the free-pass policy that criminal sovereigns now enjoy.

Dictators who can count on a comfortable retirement in France or the U.S., no matter how atrocious their actions, will not have any hesitation about resorting to reign by terror. But knowing that fellow dictators spend the rest of their lives behind lock and key may force them to think twice.

Countries like Greece and Argentina have strengthened their democracies by sentencing former criminal rulers and sending a clear message to antidemocratic elements that they cannot flee from justice. Countries that seem unable to break the vicious chain of coup d'états and bloody oligarchies — Uganda comes to mind as one example — usually have several former rulers living comfortably in foreign countries.

In the same week that you advocated a harassment-free shelter for Mr. Duvalier, the United States Immigration and Naturalization Service returned to Haiti hundreds of illegal immigrants who fled from the disastrous results of Mr. Duvalier's administration. There was very little public concern about their fate, no editorial, no high-level discussions between governments. "He that has pity on the cruel," says the Talmud, "ends up being cruel toward those that deserve pity."

MOSHE KAM

Philadelphia, Feb. 20, 1986

Overt, Not Covert

To the Editor:

"The Doctrine/Un-doctrine of Covert/Overt Aid" by Leslie Gelb (Washington Talk, Feb. 21) clearly outlined the debate over the Reagan doctrine of assisting guerrillas fighting Soviet-backed Communist regimes. I comment as a debate participant.

The American people want to help others escape Soviet-style Communist oppression. However, it is unfair to our friends and ourselves to imply that our willingness and ability to support all freedom fighters is unlimited. It is an unrealistic approach to a complex world in which we operate under internal and external constraints. Contrary to Administration belief, the constraints cannot be removed merely by dubbing our actions "covert."

Mr. Gelb says: "The Administration appears to want to retain that fig leaf partly for reasons of international etiquette and law and partly to give itself room to maneuver on the amount of commitment." I believe no fig leaf is needed.

If we conclude the Sandinista regime poses a threat to our security, there are legal grounds on which to support the contras to be found in both the United Nations Charter and the Rio Treaty. I believe a threat to our security does exist in Nicaragua. Nevertheless, I have opposed military aid to the contras and will continue to do so until we act openly in both word and deed.

CHARLES E. BENNETT
Member of Congress, 3d Dist., Fla.
Washington, Feb. 24, 1986

It May Be Time to Rethink the Jury System

To the Editor:

There has arisen the annual spate of articles, letters, charges and countercharges over the so-called malpractice-insurance crisis (or, to keep in step with the times, we should call it the liability-insurance crisis, since all liability insurers are raising their rates by an unprecedented amount).

Various proposals have been raised to deal with the problem, from abolishing or limiting the right to sue and strengthening discipline within the medical community to abridging the

contingency-fee system or requiring the loser in litigation to pay all costs. I propose a more heretical solution.

Many of the horror stories we hear, from exorbitant malpractice awards to the recent (and incredible) Pennzoil-Texaco judgment, are symptoms of a failure of the jury system. Perhaps after 200 years it is time to re-examine the quaint notion that truth is best achieved by two or more skilled manipulators bashing one another before a panel of ordinary people who have no experience (not to mention expertise) in the complex affairs being litigated. Perhaps it is time to consider limiting the role of juries or of selecting juries composed of men and women with at least a passing familiarity with the subject of the case.

This is only a modest proposal for study, not a call for outright abolition or even reform of the jury system of trial. I am well aware that juries have served this country well, but doubt that they are beyond improvement. And it is interesting to note that European countries, which are always cited as having the solution to the litigation crisis, conduct their trials without juries or with only a limited role for juries.

Before we bar the litigants from the courthouse altogether, should we not first improve the proceedings within?

GORDON P. R. POSNER

Farmingdale, L.I., Feb. 23, 1986

The writer is a counselor at law.

Psst, There's a Secret Scenic Bus to Brooklyn

To the Editor:

There's a new city bus in town, the B51. It goes the scenic route, from City Hall Terminal, over the Manhattan Bridge, to the Fulton Mall in Brooklyn and back. And the view from the bridge of the harbor spread out below is unmatched by any other New York City transport, certainly better than the graffiti in an IRT car stalled in the tunnel under the bridge.

For the elderly and disabled people who cannot climb subway stairs, it's a boon, since most of the buses are equipped with wheelchair lifts. For the able-bodied, it's a pleasant alternative to the subway, a clean, comfortable safe, scheduled ride. The fare is the same as for other city buses, and it transfers to and from buses in Brooklyn and Manhattan.

But, and here's the catch, no one knows about it, not even the bus drivers. They say the Transit Authority tells them nothing, just gives them a route and a schedule and a push. "If it's a good thing, the T.A. will cancel it," they say. And that's what's happening to the B51. It was started as an experimental route in September and kept a secret thereafter, like a good, cheap new restaurant. Its demise is scheduled for the end of March, as the Transit Authority advised me in a long letter, full of the best bureaucratic to signify no money.

The B51 should not only be retained, but should also be extended to weekends. It must be widely publicized and used. Think of going to the Brooklyn Museum or the Botanic Garden on a Sunday by bus. I appeal to your readers: Take the bus over the bridge.

BELLE ROTHBERG

New York, Feb. 13, 1986

The writer is a spokesman for the Disabled in Action.

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من الاموال

How to Help the Philippines

Support Civilian Control

By Diane Orendticher

One of the most formidable tasks confronting the Philippine President, Corazon C. Aquino, will be gaining control over the nation's armed forces. As the United States starts to build relations with her Government, it should support her efforts to establish civilian control over the military. In this, the roles of both the Reagan Administration and Congress could be critical.

President Aquino inherits from her predecessor, Ferdinand E. Marcos, a notoriously abusive military, whose ranks have almost tripled in the past 15 years. But unlike the Argentine President, Raúl Alfonsín, who also led his nation from military dictatorship to civilian democracy, Mrs. Aquino must continue to rely on her nation's armed forces to fight a rapidly growing Communist insurgency.

Until last month's election — when the military killed scores of Mrs. Aquino's supporters and terrorized countless others — most of the armed forces' abuses took place in connection with the counterinsurgency campaign. This pattern is likely to continue unless the new President gains decisive control over the military.

In this regard, the military's decisive role in effecting the transition of power is as much cause for concern as optimism. The defection of two of Mr. Marcos's top military officials — Defense Minister Juan Ponce Enrile and the deputy Chief of Staff, Fidel V. Ramos — facilitated the transition of power but also enhanced the role of the military in the new Government.

Though Mrs. Aquino's presidency is owed to overwhelming popular support, the dramatic defection of the two military leaders has enabled them to claim credit for her assumption of power, and both have been rewarded with powerful positions. In one of her first official acts, Mrs. Aquino named Mr. Enrile her Minister of Defense and General Ramos Chief of Staff of the armed forces.

The appointment of Mr. Enrile, in particular, may threaten Mrs. Aquino's efforts to assert control over the military. As Mr. Marcos's Defense Minister, Mr. Enrile played a key role in justifying and implementing martial law. His 11th-hour defection, coming on the heels of reports that he

had been arrested, seemed more an opportunistic gambit than a conversion based on conviction.

Yet Mr. Enrile wields greater power now than ever before. In the waning years of the Marcos era, he had lost much of his power to the Chief of Staff, Gen. Fabian C. Ver. Today, the politically ambitious Mr. Enrile enjoys unchallenged authority in the new Government.

General Ramos is known to be an honest and highly professional officer — and he has already moved to oust commanders closely associated with Mr. Marcos — but he also has implemented policies inimical to human rights. As chief of the Philippines Constabulary in the Marcos administration, he supervised the 70,000-man Civilian Home Defense Forces — a civilian militia created to combat the insurgency — which had been responsible for some of the military's most egregious abuses. The powerful Roman Catholic Bishops Conference has advocated that this militia be abolished, yet, in a meeting with me hours before he withdrew his support from Mr. Marcos, General Ramos de-

The military, dominant under Marcos, must be subordinated

fended the military's use of these forces.

As the civilians in the Aquino Government square off against the military in a struggle for authority over the armed forces, the United States should do all it can to strengthen the civilians' hand. There is, however, reason to fear that the Reagan Administration will not do so.

Many Filipinos believe, for one thing, that the United States was instrumental in engineering Mr. Enrile's defection. Besides, the Administration's preoccupation with the Communist insurgency may lead it to place far more emphasis on strengthening the military than in supporting the Philippines' fragile democracy.

For this reason, Congress has an especially important role to play in monitoring the use of American military aid to the Philippines. It should, in particular, watch vigilantly to insure that such aid is not used to press President Aquino to capitulate to military policies that are harmful to human rights. Such vigilance will be crucial if the Philippines is to preserve the remarkable achievements of the past few days.

Face Up To Filipino Thinking

By Gareth D. Porter

WASHINGTON — The honeymoon between the United States and the Government of Corazon C. Aquino may eventually give way to tension if Washington does not face the facts of Philippine nationalism. Washington and Manila share an interest in reviving the Philippine economy, restoring democracy and restructuring the military, but their interests regarding American military bases in the Philippines do not coincide.

Mrs. Aquino has made it clear that she will honor the present bases agreement until it expires in 1991, but there are powerful political forces at work in the Philippines that make the longer-term tenure of Clark Field and Subic Bay extremely doubtful. To Filipino nationalists, the American facilities have long been a symbol of the unequal relationship between the two countries — and this nationalism is no longer a dissenting view among politically active Filipinos. Indeed, with the transition of power, it has become the dominant view.

For 15 years, American base rights were protected from the shifting currents of Philippine politics by the Marcos dictatorship's tight control over the political process. American control over the bases has been an irritant to Filipinos, but recent American administrations have assumed that they could satisfy nationalist feelings by allowing the Philippine flag to fly over the bases and installing nominal Philippine commanders. That is probably no longer true.

For one thing, the Philippines faces no external threat, and few Filipino political figures believe the bases are necessary for their country's security. On the contrary, the facilities are generally viewed as incurring a grave and unnecessary risk in the event of a Soviet-American war. Many Filipinos resent the fact that Washington has long seemed more concerned about its own strategic interests than about them. It is no accident that opposition to the bases was a requirement for political credibility among opponents of Mr. Marcos.

The power of nationalism has been further enhanced by the passing of the old conservative political parties that enjoyed cozy relations with the United States. Mrs. Aquino's cam-

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paigned established a new popular style that depends on masses of volunteer activists. The old patron-client politics cannot compete with this. And most of the cadres of the new mass organizations are likely to hold a nationalist position on the bases.

In the Aquino era, the center of gravity in Philippine politics is likely to be somewhere near the strongly nationalist alliance called Bandila, whose leaders are among Mrs. Aquino's closest advisers. Bandila's program advocates "economic nationalism" and "removal of all foreign bases" as well as a ban on transport of nuclear weapons into the country. This position on the bases is embraced by virtually all the political figures named to Mrs. Aquino's Cabinet.

Nationalism is not, of course, the only factor that will influence the Aquino Government's decision on the bases. The Philippines needs American aid in getting out from under its crushing debt burden, and pragmatism requires that American wishes not be taken lightly. But since the United States cannot afford to let the

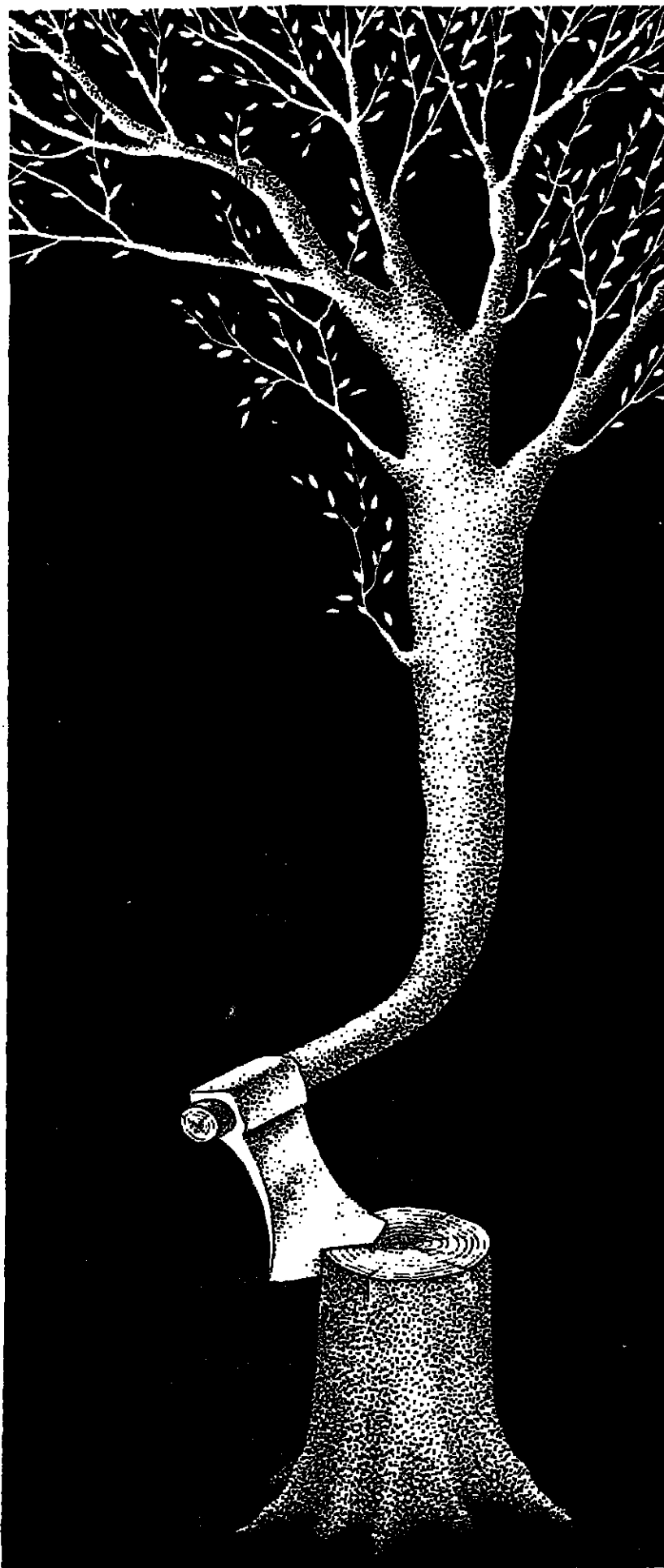
Nationalism will be a significant force in negotiations on the bases

Philippine economy continue to sink, it does not necessarily have usable leverage over the Aquino Government on the bases issue.

True, the Senate majority leader, Bob Dole, has already proposed that American aid to the new Government be tied to an unequivocal pledge that the United States can maintain its military presence beyond 1991. But this kind of traditional American response would be a serious mistake.

It would once again elevate American military interests to a position of pre-eminence in American policy toward the Philippines — and thus reinforce the very reordering of priorities that led Congress to support the popular democratic movement behind Mrs. Aquino. Such a reversal would certainly jeopardize the Filipino good will that Congress just managed to salvage from the jaws of political disaster.

An effort to coerce or manipulate the new Philippine Government would ignore the fundamental reality in the Aquino era. Before familiar reflexes take over in American policy, the United States must come to grips with that new reality.



Jugoslav Vlatkovic

Grasp The Real Lessons

By Barry Rubin

WASHINGTON — The Reagan Administration is trying to claim credit for the peaceful transition in the Philippines — and to a large extent it is succeeding. In fact, the White House fought against the inevitable turnover and would have preferred to continue supporting former President Ferdinand E. Marcos. It remains to be seen whether President Reagan has grasped the lessons of the peaceful revolution in Manila.

The Administration's hand was forced, first of all, by the courage and determination of Corazon C. Aquino and her supporters in defending democracy. The White House simply could not ignore her electoral victory, estimated by the Central Intelligence Agency at 60 percent of the vote.

But the Administration was also influenced by the strong stand taken by members of Congress, especially Senator Richard G. Lugar, determined to stop aid to Mr. Marcos. Finally, at the last minute, officials at the State and Defense Departments convinced the President to move quickly to force Mr. Marcos out.

The President's own view was conditioned by his belief that only Mr. Marcos could keep the Communists from taking power. The Administration strongly believed that President Jimmy Carter had destabilized the Shah of Iran and Anastasio Somoza Debayle of Nicaragua by refusing to support them to the hilt and by flirting with the opposition — and it was determined to apply these lessons in the Philippines.

As it turned out, events in the Philippines discredited that view and instead confirmed more liberal ideas about the need for the United States to press for democracy and human rights, support moderate forces and distance itself from dictators. It is, however, doubtful that President Reagan understands these principles. Certainly, he has not been applying them elsewhere in the world.

Meanwhile, in Manila, President Aquino faces four major problems. The first is the Communist insurgency. True, the dictator's flight has defused the rebels' strongest issue, and their attacks on Mrs. Aquino and

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the now popular army will isolate and discredit them. The rebel leadership has offered a cease-fire, but not all the fighters will go home. Mrs. Aquino has suggested legalizing the Communist Party and has offered amnesty to guerrillas who lay down their arms. The rebels face an agonizing and probably damaging debate on how to respond.

Second, Mrs. Aquino's Government will have to move quickly to restructure the armed forces. Overaged officers — Mr. Marcos's main supporters in the military — will be retired according to law. Younger, reformist officers will be promoted. The Government is already acting to remove officers associated with Mr. Marcos.

Third, Mrs. Aquino will have to loosen Mr. Marcos's cronies' hold on the country's industry and media. The Aquino Cabinet must also develop programs for land reform and protecting the rights of farm workers and sharecroppers.

Finally, the Cabinet includes the nation's most able and energetic businessmen, who should be able to reverse the economic decline of recent years. But Manila will also need in-

So that foreign policy disasters can be avoided

ternational agreements, rescheduling its debts and providing new loans. The United States can help by maintaining aid levels. (The Reagan Administration has requested \$233 million for fiscal 1987.)

The future of the American bases is probably not a matter for concern. Mrs. Aquino and her advisers seem to understand that the bases are too important economically to be removed. Much of the popular criticism of the bases arose because their presence was thought to encourage American support for Mr. Marcos, and this antagonism is now dissipated.

The Philippines crisis turned out well for both American interests and the Filipino people. Unlike the moderate democratic forces in Iran, those in the Philippines were stronger than the extremists, largely because of cultural and historical factors. Unlike Nicaraguan revolution, the crisis in the Philippines did not drag on so long that the moderates supported the revolutionaries out of impatience and frustration with American policy. We can only hope that the lessons from the Philippines will help us avoid more foreign policy disasters.

FOREIGN AFFAIRS | Flora Lewis

Changing the Party?

MOSCOW

As Soviet officials strive to explain Mikhail Gorbachev's blueprint for change, it becomes increasingly evident that the crucial point is the way the party works.

There have been calls for widespread restructuring of its all-powerful Central Committee apparatus, not just by changing people but by drastically paring back their numbers and responsibilities. The party has been told that it must restrict itself to "political work" and leave running the country to government and its dependencies.

It has been told to develop a new "cult of modesty" in contrast to the old, unmentioned "cult of personality," to stop interfering in administrative decisions and pulling strings, to hold power to account instead of trying to wield it at every level.

The "Soviets," ostensibly the representative bodies from the village to the top of the state, are supposed to be revived to perform their function of speaking for constituents, not just passing on party commands.

If this meant what it would mean to Western ears, it would indeed make a dramatic difference in the way the Soviet Union works. The party, shaped by Lenin to provide a rigid system of control working always from top to bottom and not the other way around, long ago became not only the trunkline of power but all its branches, twigs and smallest leaves. Limiting its rights would bring some diffusion of responsibility, if only to the hierarchy of managers and experts.

But of course, it is also made clear that there is to be no challenge to the party's "leading role" in society, and no question of allowing any rival organization. This is the Soviet dilemma, how to make people accept responsibility without ever easing the hand that holds the whip.

The repeated declarations of a desire to open up, "to be frank to the utmost and call a spade a spade," in the words of the Moscow party first secretary, Boris Yeltsin, should be given the benefit of the doubt.

For Soviet ears, Mr. Yeltsin, who was recently promoted to his important post by Mr. Gorbachev, said some riveting, audacious things. He not only criticized the party in the past, which has happened at zigs and zags in Soviet history, but its very method of operation.

"Why is it that from congress to congress we raise the same problems?" he asked. "Why is it that our party vocabulary now includes a word obviously alien to it — stagnation? Why is it over so many years we have been unable to pull out the roots of bureaucracy, social injustice and

In Moscow, calls for widespread reform

abuses? Why is that even now the demand for radical change is stuck among the inert section of time-servers with party cards?

"My opinion is: one of the main causes is that a number of executives lack the courage to assess timely and objectively the situation and their personal role; to tell the truth, however bitter."

Still, not just anyone can criticize, and it must be "constructive." "We are democratizing our socialist democracy," said one official proudly. "this means we can admit failings. When you have an inferiority complex you can't do that, but when you are confident the system will work, then you can."

The semantic hodgepodge reflects how unaccustomed people in authority here are to claim anything short of perfection for the Soviet Union. The old marching orders required absolute praise for everything, on the grounds that any hints of wrongdoing and even errors would give "ammunition to the enemies of socialism."

It may even be that somehow they will get in the habit of a bit of spontaneity, of listening to complaints, of restraining the lusty ambitions of power. But for now, it is still impossible to define what is meant by "political leadership" as distinct from running the whole show, where the line may be between maintaining "control" to assure "discipline," and encouraging "initiative and enterprise."

The authorities are looking for technical fixes spurred by new leaders brought up entirely in the old school. They are not ready to question the party's inherent right to the last word, but they would like it to be better served by those who carry out its orders.

They really do seem to believe there is no inevitable contradiction between the "dictatorship of the proletariat," which means the fully hierarchical dictatorship of the party, and stimulating people to think and act for themselves. But if they can moderate the old habit of command without recourse, things will be a little easier. Then, when the inevitable limits are reached, they will have to decide if they dare continue the logic of "opening."

WASHINGTON | James Reston

TV in the Senate

WASHINGTON

The Senate of the United States has decided to experiment with televising its proceedings. This could help restore the great debating tradition of the United States or it could bring back vaudeville. It all depends on the rules.

It's easy to understand why the Senate reached this decision after fiddling and fudging it for years. Ronald Reagan hasn't convinced the senators that his policy is right, but he has convinced them that his personality and his television techniques are dominating public opinion, and that they have to do something about it.

Besides, the House of Representatives, without many people's noticing, has been televising its arguments for some time, and the Senate, proud of its reputation as the "greatest deliberative body in the world," has always felt that what the House does, the Senate can do better.

The case for televising debates here in Washington on the decisions that affect the lives of the American people is that the voters should, at least once in a while, have a glimpse about how these decisions are made, not only in the Congress, but in the Supreme Court of the United States.

Warren Burger of Minnesota, Chief Justice of the United States, is fiercely opposed to this intrusion of television on the decision process, and has given clear warning that if the day ever comes when the television cameras come into his Court, that will be the day he'll resign.

But there's a difference between the Court and the Congress; and an argument could be made that for the Congress, television is not a problem but an opportunity, as we saw in the racial struggles of the South many years ago, in the Vietnam War and most recently in the crisis of the Philippines, when the cameras brought the struggles into our living rooms and made us think.

There are, as we all know, troubling problems among the nations on the control of weapons on earth and in outer space, and about the distribution of money for weapons or for the education of our children, or about the bankruptcy of our farmers.

The decision of the Senate to bring the cameras into its chamber suggests at least the possibility that television could be used to help national understanding of those problems and not merely for political interests.

We are living in a revolutionary age of propaganda at home and abroad. For the first time we have a world economy, with the industrial nations competing for trade and profit; the superpowers argue over nuclear weapons, and the majority of the

Voters could see how decisions are made

human race lives in hunger and hears by modern communications that their misery is not inevitable but intolerable.

So much depends on how the United States handles all these tangles, how our people see the coming world in which their children will have to live. Television, which too often gives us the world of illusion, has also recently shown us in the Philippines a vision of reality.

In the Senate it could go either way. The proceedings could be televised, each member could take his clips, and after careful editing in the television studios in the basement of the Senate office buildings, send them back to TV stations in their states to demonstrate what fine senators they are and how necessary is their reelection.

On the other hand, the Senate could, without altering many rules, set aside, say once a month, an hour's time to debate the major questions for decision.

Even the commercial networks wouldn't be able to ignore such a surprising meeting of the Senate, with all members present, so that the people, almost for the first time, would be able to judge for themselves the struggle over public issues.

It could even be that young people in the universities, who for some reason would rather demonstrate than debate, would watch the Senate in serious discussion and carry it on among themselves later on.

Most senators have got the main point: that politically, they're probably going to live or die by television; but there's just a chance now that they can use it not only for themselves or their parties, but for the education of their constituents, and particularly for the respect of the young, whose enthusiasm for politicians and the media, and even the democratic process, is not excessive these days.

But it will all depend on the rules on television in the Senate. The senators can use television for their own purposes or for the purpose of bringing the nation together. We will just have to wait and see what sort of rules they can agree upon.

Stardom: A Teen-Ager's Lark

By NINA DARNTON

Helena Bonham Carter has the kind of features that inspire clichés: luxuriant brown hair, wide-set almond eyes, a lovely heart-shaped face, little bow lips — a face that belongs on a cameo. There is something undeniably old-fashioned about her, nostalgic, even wistful. Perhaps this helps to explain why Miss Bonham Carter, a 19-year-old schoolgirl who had hoped to study English literature and philosophy at Cambridge, with no professional acting training and only one television play to her credit, was chosen to star in period roles in two major motion pictures opening within a month of each other.

She made her screen debut last month in Trevor Nunn's "Lady Jane," playing the 16th-century adolescent who became Queen of England for nine days and was then beheaded for treason. In an adaptation of E. M. Forster's novel "A Room With a View," which opens in New York this week, she plays an upper-class Victorian young lady, controlled by the manners and mores of her time and steeped in the subterfuge that repressive society spawned. Lucy Honeychurch, the film's heroine, falls in love with an unconventional young man whom she meets at a Florentine boarding house. The gentleman has the effrontery to express his feelings — he kisses her and the insult is enough to force the heroine and her chaperone to return to England, where she becomes engaged to another man. In love with one man and engaged to another, Miss Honeychurch seems able to express herself honestly only when she plays the piano.

Not so her modern interpreter. She looks like a typical 1980's teen-ager with green, high-topped sneakers, striped tights, an oversized purple sweatshirt and a pimple on her forehead. Miss Bonham Carter said she began her acting career on her own at

13 in an attempt to compete with an outgoing group of girls at her school. "It was probably for rather unedifying motives," she said, "i.e., jealousy, that I got one of their agent's names and called him. It was a conscious act, because I was naturally shy and I had to force myself. It was to seek the opposite side of myself."

She also took the step to assert her independence at home ("My parents were mostly amused," she said, "I think they thought, 'Oh, this is something she'll grow out of when she becomes a woman.'"). There followed three years of going to what she calls "orange juice and treats" auditions for children. At the age of 15 she landed her first job — a television commercial for a hi-fi set. Even in the modern world of stereo advertising, Miss Bonham Carter was typecast in a period role — Juliet. A year later she was cast in a television special called "A Pattern of Roses," in which she played Nettie, a part the actress characterizes as "a malevolent, manipulative, Edwardian pubescent." "There was," she says, with the expertise born of her recent experience, "an awful lot of eyebrow acting in that one."

And that was it. Two years later, when her agent sent her photograph to Trevor Nunn, who was casting for the role of Lady Jane, Miss Bonham Carter was preparing for her Oxbridge exam, the special admission test given by Oxford and Cambridge. Hers was the first photograph Mr. Nunn saw, and weeks later he returned to it, deciding to test her. But when he telephoned, she was determined not to let anything interfere with her plans for university. "I became convinced that it was Trevor Nunn's first film and that I wouldn't be able to try for it," she said, but she said no and left for her holidays, traveling with some friends. Mr. Nunn tried again. When she arrived at a friend's house, she was told that her agent had been phoning. "I thought, 'How flashy,'" she said. She decided to meet with Mr. Nunn, and the decision changed the direction of her life.



Helena Bonham Carter in "A Room With a View."

The auditions for "Lady Jane" lasted for more than a month. She was asked to do Shakespeare, which she had not done much of before — "I did, guess what?" she said. "Juliet!" Then there was a series of other audi-

tions and many conversations centering around herself, her emotions, her past and her feelings about handling the obligatory nude scene. "It wasn't easy, of course," she said, "someone basically self-conscious anyway being asked to take her clothes off, but it seemed on the whole less serious than the emotional exposure I was being asked to do. You are having to dig out part of yourself you don't usually do in front of even one person, let alone over 100 on the set." Mr. Nunn didn't ask her to disrobe, she said, but expressed the hope that her physical appearance would not be disappointing. "I think you will find me quite seemly," the young British actress replied.

If she had any thoughts of still entering Cambridge, she was mistaken.

Arts & Leisure

The day after she finished "Lady Jane," she went to see James Ivory, director of "A Room With a View," who had called to ask her to audition for the part of Lucy Honeychurch. Within 24 hours she was cast in the role.

"I was again employed in another major film and not feeling I'd been tested enough to deserve it," she said. Although this was her second film, and she was no longer a novice, she said she felt less confident than she had in "Lady Jane."

"In 'Lady Jane' I had been employed as someone who had never done anything before," she said, "but in 'A Room With a View' I was employed as an actress. In 'Lady Jane' I didn't know at all what I was in for. In 'A Room With a View' I was more aware, more diffident because I knew what the opportunities were."

Although Miss Bonham Carter had not yet read much E. M. Forster — she has since made up for that by reading a great deal, including "A Passage to India" and "The Longest Journey" — the upper-class Lucy Honeychurch and the world she inhabited is not so far from the actress's experience.

Miss Bonham Carter comes from one of England's most distinguished political families. Her father is a merchant banker. Her great-grandfather was the liberal Prime Minister, Lord Asquith, and her grandmother was Lady Violet Bonham Carter, a well-known politician, orator and member of the House of Lords. Her mother, who is half-French and half-Spanish, is a psychotherapist. Her maternal grandfather was the Spanish Ambassador to the United States, Canada and Norway. She said she recently heard one of the radio broadcasts made by her grandmother, Lady Violet Bonham Carter, who died when the actress was 4 years old.

"The broadcast was about chaperones and how necessary they were for young ladies when she was a girl," Miss Bonham Carter said. "It was so apt in relation to Lucy. I thought that she must have been Lucy's age when Lucy actually was supposed to exist."

Miss Bonham Carter thinks that it is important, even today, to understand the world in which her grandmother and Lucy Honeychurch lived. "The characters in 'A Passage to India' and 'A Room With a View' — Adela Quested and Lucy Honey-

church — are similar. They are both in a "typical Forster muddle," she said. "They are lying to themselves and each other and not reacting honestly to their own feelings. In Forster's world this lying is very unforgivable — we might not take it so seriously today. But he is involved in the idea of feeding spiritual needs in a society that militates against it — a central heroine wreaking havoc and then trying to resolve it."

Miss Bonham Carter, who is, as she says, "a perfectly modern 20th-century girl," seems straightforward and direct — a full century away from the "muddle" of her Forsterian film character. She has concluded that it is impossible for her to combine academic study with a theatrical career. Unlike Princeton University, which allows Brooke Shields to attend while continuing an uninterrupted film career, British universities would not, she feels, tolerate such divided attention. "I will have to absorb academic studies some other way," she said. She has decided to study theater for the next few years "to specialize and make a go of it. I need to learn a lot in acting. I've got a lot of inhibitions to get through. I need to develop my voice and I need an environment where I can afford to make mistakes. I've got to ferment a bit."

One of the acting problems that faced Miss Bonham Carter was that both of her screen roles were of young repressed girls who entered into a great and overwhelming passion. For a young girl who has perhaps not experienced some of these emotions, they might be hard to create. Has she ever been in love? "I think so," Miss Bonham Carter replied. "I mean, maybe when I'm 40 I'll discover all my previous emotions were shallow, but for now I think I have. But in a way maybe your emotions are strongest in your teens, before you've had too much experience. Playing these roles at such a young age is certainly more imagination than experience. Especially Lady Jane — even if I live to be 90, it's unlikely I'll ever experience what she did — unless they reinstate capital punishment and I usurp Princess Diana."

What does the young movie star want to do next? "I want to become versatile," she said. "I want to try comedy. I want to try acting on the stage. I want to play more modern roles."

Some Fine Performances Come To Bloom in Winter

By VINCENT CANBY

Before it's too late, let's talk about some remarkable performances currently on view. The actor's lot must be a maddening one. When a film is very good, the actor's contribution tends to be taken for granted, absorbed into the film itself, and when the film is somewhat less than great, the performance has a way of being tossed out with the container that holds it.

Woody Allen's "Hannah and Her Sisters" is full of memorable moments. Yet there is one small, beautifully acted sequence that sticks in the memory with particular poignancy and defines, perhaps above all others, the distance that Mr. Allen has traveled from the uproarious "Take the Money and Run" of 1969 to this chef d'oeuvre of 1986.

Hannah (Mia Farrow), the eldest and supposedly the strongest of the film's three sisters, is called to her parents' Riverside Drive apartment to attend to her mother

but Mr. Nolan and Miss O'Sullivan bring to it the kind of emotional reserves that are acquired only after years of experience. That can't be faked.

Equally stunning are the performances by Michael Caine and Max Von Sydow, whose familiar, public personalities effectively disappear into the world of Woody Allen's Manhattan.

It isn't that Mr. Caine's performance is all that different from other roles he's had. He doesn't play something wildly off-the-wall, like a Lower East Side junkie or an Afghan freedom fighter. He's cast as Hannah's highly articulate, philandering husband, an urbane, successful financial consultant. It's just that "Hannah and Her Sisters" makes better use of his wise, mellow, comically self-aware talents than any film he's been in since John Huston's "Man Who Would Be King."

Mr. Von Sydow's appearance in the film, as the much older, eccentric lover of Hannah's youngest sister (played by Barbara Hershey), is brief but, in a small way, triumphant. Everybody knows of Mr. Allen's admiration for Ingmar Bergman. It was possible that the director's use of an actor so long associated with the European master could be seen as an attempt to dress up "Hannah and Her Sisters" with some made-in-Sweden class.

The way things work out, though, Mr. Von Sydow becomes as much a part of the film's fabric as the Brooklyn-born Mr. Allen. As Frederick, a SoHo painter who's getting on in years without having received the acclaim he thinks he deserves, Mr. Von Sydow gives a big, intense performance in a film that, miraculously, can accommodate it. One minute he's hilariously arrogant and overbearing, as he synthesizes an evening spent in television channel hopping, and the next minute, when his lover walks out, suicidal, though you realize that Frederick is much too self-satisfied ever to self-destruct without some critic's promise of immortality.

From its other major roles, played by Miss Farrow, Dianne Wiest, Miss Hershey and Mr. Allen, down to its featured "stars" and supporting actors, "Hannah and Her Sisters" is flawlessly performed. In the case of Carrie Fisher, who plays Miss Wiest's best friend, you might also say selflessly performed. It's a smallish role, but Princess Leia dives into it so enthusiastically that the film was halfway over before I realized — with a shock — who this pretty, brassy, deceptively sweet cookie really was.

"Hannah and Her Sisters" is big in scope and long (nearly two hours, which is extremely long for an Allen work), but there's not a casually conceived performance in it.

"Turtle Diary" isn't in quite the same league. Next to "Hannah and Her Sisters," it's an extended anecdote of a movie. However, it's the kind of anecdote that, as written by Harold Pinter in a disturbingly benign mood, and as acted by Ben Kingsley, Glenda Jackson and Michael Gambon, becomes a champagne pick-me-up. It won't help you solve your problems on any given day, unless you are obsessed by the fate of green sea turtles held in the captivity of aquariums, but it will temporarily mask those problems.

In outline, the Pinter screenplay, based on the novel by Russell Hoban, sounds all too grimly like an especially pillaged television situation-comedy: two London eccentrics, a bookstore clerk (Mr. Kingsley) and an author of anthropomorphic animal novels for children (Miss Jackson) decide to steal three sea turtles from the zoo and set them free from England's south coast. "Turtle Diary," the story of that caper, is, however, about as far as you can get away in England from Disneyland, which is in southern California, without having to learn another language.

Scratch those last two words. Mr. Pinter's language shares our vocabulary, but the way the words are put together — the way they are stressed, run on to one another or sometimes are separated by cosmic gaps — creates a language as mysterious as Etruscan but a good deal funnier. Miss Jackson, Mr. Kingsley and Mr. Gambon, as the chief turtle-keeper who aids and abets the lunatic thieves, speak the Pinter dialogue with the informed (and informative) relish of actors hungry for material against which they can test themselves.

"Turtle Diary" ultimately seems something of an anticlimax. No real mysteries are hidden within it. I'm afraid it comes perilously close to being the sort of tale that could be described as heartwarming. Yet there is great fun in listening to it unfold.

Not since the screen adaptation Mr. Pinter's "Betrayal" (which also starred Mr. Kingsley) have I had such a good time listening to a movie while also watching it.

'Hannah and Her Sisters' comprises individual portrayals of exceptional merit.

(Maureen O'Sullivan), who has slipped off the wagon with what the family regards as a resounding crash. Actually, from what we see, it's less a crash than a silent, sad, profoundly ineffectual withdrawal.

The camera discovers the older woman, in profile, sitting hunched forward on a kitchen chair, dressed only in her slip, with what looks to be a recycled jelly jar of whisky in her hands. By the indifferent way she holds her drink, it's apparent she knows her jig is up and, for all she cares at that very minute, her life. As the daughter attempts to talk her mother into surrendering the whisky, Hannah's father, played by the late Lloyd Nolan, paces furiously in and out of the room, ridiculing the wife who's not quite as sullen as he would have it.

It seems they'd been doing a television commercial that day — Hannah's mother and father are actors — and, he says, her mother had made a fool of herself by joking and flirting with a member of the crew young enough to be her son. As he rants, there pour out all of the resentments accumulated during a very long, rocky marriage.

Having been boozily docile, Hannah's mother suddenly reacts. Her bitterness equals her husband's, but it's initially spoken with the kind of wounded innocence affected by a drunk afraid of slurring her words. She was just trying to have a little fun, she says to Hannah, which is something that "this nonperson" (indicating her husband) would never understand, at which point her anger becomes naked. She laughs at her husband, calling him "this haircut that passes for a man," and then sneers the ultimate insult: "How can you act when there's nothing inside to come out?"

Hannah, being the strong one, the role assigned to her by her parents, eventually calms everybody down. Her father moves to the living room piano and starts noodling on the keys. "Remember this one, Hannah?" he says, starting something by Kern or Gershwin. Her mother stands by his side, her humiliation receding, at least for now. For Hannah, this self-willed serenity is as much a part of her parents' marriage as the viciousness of their fights and their occasional moments of spontaneous pleasure.

"Hannah and Her Sisters" is so much of a piece — a movie in which all aspects of the production fit together with such ease and seeming effortlessness — that I'm afraid the initial reviews couldn't do justice to each of the individual performances. This is especially true of the contributions by Mr. Nolan, whose last screen role this was, and Miss O'Sullivan, who has starred in dozens of films over the decades, including the "Tarzan" movies with Johnny Weissmuller and the elegant "Pride and Prejudice." In all that time, however, she's never had five minutes on the screen to equal her work here.

Mr. Allen, of course, has given them rich material,

WBDP The West Bank Data Base Project

Just published

The West Bank Data Base Project 1986 Report — a review of the demographic, economic, legal, social and political developments in the West Bank in the past year. This study covers the first year of Israel's National Unity Government and compares the heralded changes in policy with the emerging facts, concluding with a penetrating analysis of the peace process and its repercussions on the West Bank.

The West Bank Data Base Project, which is directed by Dr. Meron Benvenisti, is funded by the Rockefeller and Ford Foundations and administered by the American Enterprise Institute for Public Policy Research, Washington, D.C.

The Project derives its in-depth analyses and evaluations from continuously updated computerized data and is considered the most comprehensive source of data available on the West Bank and Gaza.

Additional forthcoming publications include a political lexicon of the West Bank and three regional studies.

THE WEST BANK HANDBOOK, A POLITICAL LEXICON by Meron Benvenisti, with Ziad Abu Zayyad and Danny Rubinstein.

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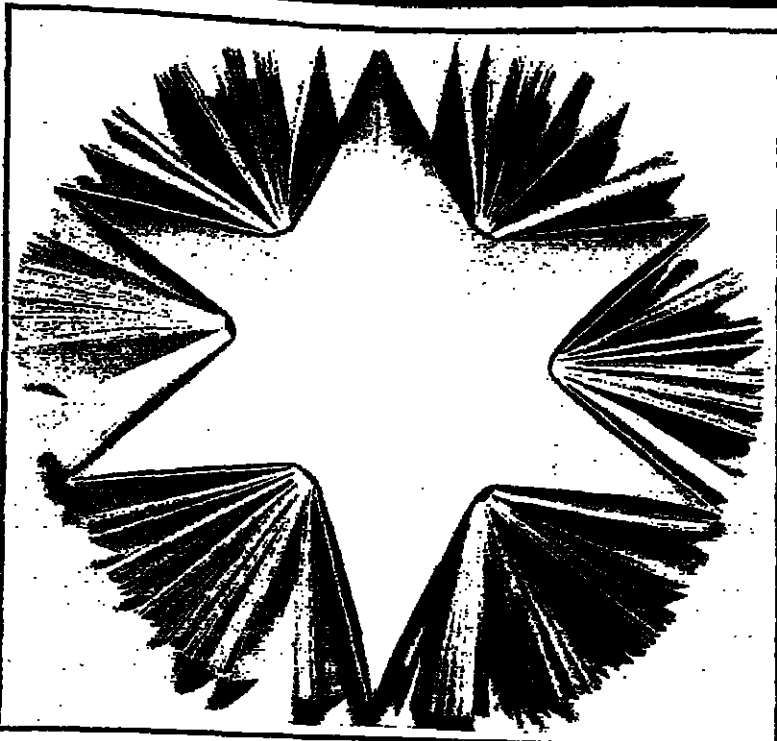
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סניף מ.א.א.ל.



Growing field

Leah Abramowitz reports on a business in Israel that is booming — publishing religious books

RELIGIOUS book publishing is big business. Just how big no one seems to know — or be willing to admit. "There has been an increase in the thirst for religious reading material in the last 20-30 years," says Gavriel Bir, a veteran bookseller. "The field is growing by leaps and bounds."

Yaakov Feldheim, owner of the largest English publishing house of *sifrei kodesh* (religious books) in Israel, believes that more religious books have been put out in Israel since World War II than were ever produced previously.

Yaakov Weinfield, owner of Eshkol Publishers, explains that whereas it once took 20 years to produce the 20 volumes of a standard *Shas* (Talmud), a firm with modern printing methods can today produce 50 complete sets within a number of months.

Books are relatively inexpensive. According to Shmuel Shulzinger, of Sinai Publishers, the average religious family now has all the basic tracts in its home library.

Seventy-five per cent of the market is for the Yeshiva crowd, say several publishers. "The average yeshiva 'bachur' (student) buys 10 new books a year," estimates Feldheim. Yeshiva people spend little

on entertainment or cultural activities. They use their pocket money for books.

A large number of books are purchased as bar mitzva gifts and some publishers aim specifically at this market. Textbooks make up another significant market, as do books sought after by *baalei teshuva* (newly observant Jews).

The latter is a particularly lucrative market for book publishers. "They need everything," says one shopkeeper. In addition to basic texts, the newly observant are interested in expanding their understanding of Jewish philosophy and ethics. Feldheim estimates that half of his English translations of classic texts are picked up by *baalei teshuva*.

Most publishers agree that children's books, long neglected by the industry, now comprise the fastest growing branch of their field. "Adults buy several books a year for themselves, but many more for their children," one bookseller says. Religious families also tend to have large families, and there are circles where children are not permitted to read secular books.

Increased sales and new competition have resulted in children's books of higher quality. Graphics

and language have been upgraded, and plots are no longer quite as predictable and didactic.

MOST religious literature in Israel is put out by private publishing companies. Among the oldest are Eshkol, founded 40 years ago; Sinai, founded in Vienna in 1905 and now in Tel Aviv (by way of Budapest); and Lewin-Epstein, founded in Jerusalem in 1965 and brought to Jerusalem in 1930. All three publish the staples of religious literature: prayer books, the Talmud, the Bible and commentaries, and books of ethics and *halacha* (Jewish law).

Several institutions, including Va'ad Hayeshivot and Mosad Harav Kook, also publish religious literature. The latter, in fact, is thought to be the biggest religious book publisher in the Jewish world. Occasionally commercial publishing houses like Mosad Bialik or Sifriat Maariv will put out a religious volume.

The most elusive sector of the publishing field consists of small firms which only put out one or two books and the "amateur" publishers who enter the business "with little experience, produce cheap reprints of poor quality, and give the whole industry a bad name," according to one experienced printer and editor.

There is no law governing the reprinting of ancient texts. Even the Talmud is not protected by copyright. Since books can be produced easily and cheaply, one finds a plethora of overnight establishments cropping up who often leave no name or address in the books they print. "It's a closed field with customs of its own," says Hanoah Ben Arza, a bookseller and publisher in the Old City of Jerusalem. Some of the old firms are reminiscent of the Wild West. One new firm was "burnt out" (literally) three times by competitors but never complained to the police. Prices are uncontrolled. "Everyone does what he wants," complains the director of one venerable firm.

"It is unbelievable how many books are printed privately," he adds. Some are put out by rabbis seeking pulpits for their sermons; others by families seeking to memorialize an ancestor whose manuscript they have come across. Some privately published books have become modern classics: Rabbi Y. Neuwirth's *Shmirat Shabbat Khlachah*, the *Kachai Mishnayot* and the *Steinsaltz Gemara*. Ben Arza calls the latter the most important Talmud produced in the modern era.

The single volume publishers are rarely motivated by profit. Bir tells of a man who researched and published between 60-70 ancient *Hagadot* and never came back to get his fee. "He simply wanted to see them in print; it was his hobby," says the bookseller.

BEN ARZA, who supplies the British Museum and other national libraries with every new religious book printed in Israel, estimates that 40

new volumes appear annually. In addition, at least 50 reprints of old books are produced. Not all of these books are worthwhile, claims one sceptical bookseller. "They are simply published to get something new into a remunerative market."

On the other hand, several firms are doing important work, researching ancient manuscripts and saving books of Jewish thought, law, liturgy and talmudic commentary from oblivion.

One of these firms is The Jerusalem Institute, a public body centred in Jerusalem's Jewish Quarter. Among its many activities, the institute publishes *Otzar Mefarshai Halachah*, a talmudic encyclopedia; *Moriah*, a scholarly Tora periodical; and *Or Hamizrach*, featuring the writings of Sephardi sages.

Also located in Jerusalem is *Machon Ahavat Shalom*, a newer public institute, which specializes in reissuing the works of Moroccan and other Sephardi rabbis.

Similarly, Mosad HaRav Kook, founded 50 years ago by Israel's first minister of religious affairs, Rabbi Leib Hachohen Maimon, produces many old, forgotten volumes. The present director, Moshe Katzenbogen, estimates that the Mosad has also published 1,500 original books on all facets of religious literature, "and in the spirit of the national religious movement." Their books are found in kibbutzim of Hashomer Hatzair and in Talmudic institutions. Among its most popular books is the comprehensive Bible commentary *Dat Mikrah*, of which 16 volumes have already appeared. Katzenbogen claims that tens of thousands have already been sold. The Mosad also publishes a monthly periodical, *Sinai*, currently on its 98th issue.

Among the publishers of religious books in English, Art Scroll in America leads the field. In a relatively short time, this publisher has aggressively captured the world of English Bible translations and commentaries, prayer-books, biographies, legends and "nostalgia." Their quality is considered high, and they take much care over graphics, clear print and layout.

Feldheim Publishers, founded in New York in 1939, has been in Jerusalem since 1968. They produce 20 new books a year, and 70 per cent of their merchandise is exported. Ya'acov Feldheim, the firm's director, claims that despite the high cost of material, lower labour costs makes book publishing cheaper in Israel. Aside from lower costs, Feldheim points to the abundance of writers and translators in Israel. "There are gifted literary people all around me," he says.

Moshe Wechsler, of Lewin-Epstein Publishers, sums up the situation: "Even though a minority of Jews live in Israel, it is the centre of Jewish religious book publishing today. I don't think there is another country in the world which produces as many holy books yearly as we do here."



Talking to Palestinians

By AARON LEIBEL
Special to The Jerusalem Post

THE PALESTINE Press Service is no ordinary news agency. Unlike its counterparts around the world, the PPS's main function is not disseminating news, but rather serving as "a meeting place for anyone wanting to talk to Palestinians," according to Ibrahim Kareen, the agency's co-owner. In addition, it is an ardent advocate of Yasser Arafat's PLO Fatah faction, "the mainstream, the main moderate line of the Palestinian community," in the words of Radwan Abu Ayyash, managing editor of the news service's English bulletin and of its bi-weekly Arabic language *Al-Auda* magazine.

The agency was founded by Raymond Tawil, its current owner in tandem with Kareen, in 1977. At that time, it put out two daily bulletins: an English-language summary of the Palestinian press and a list of any security incidents occurring on the West Bank and in the Gaza District. Publication of the bulletins was stopped in 1983 by the Israeli government, which accused the PPS of printing them without a licence. (Kareen claims he applied for a licence after the ban, but his request was denied.) Despite the prohibition on printing the bulletins, the agency continued supplying its subscribers — mostly foreign journalists stationed here — with information by telephone.

Six months earlier, the PPS had received permission to publish *Al-Auda* in English and Arabic, but was forbidden to distribute it in the territories.

In 1984, the agency was accused of being funded by the PLO and threatened with closure.

Both Kareen and Abu Ayyash vehemently denied the accusation. Foreign friends and Israeli journalists were drafted to help resist the move, Kareen explained. "On the day of our court hearing," he said, "Israel Radio announced that [Prime Minister] Shimon Peres opposed the closure. Nevertheless, we went to court and presented our evidence. Our lawyer told the court that we intended to appeal to the Supreme Court, but as yet we have received no word of any ruling on the case."

FOR AN organization allegedly dedicated to promoting dialogue between Israelis and Palestinians, the PPS appears to have had an extraordinarily high number of problems with

the authorities. Kareen has an answer to this seeming inconsistency. "The Israeli government wants either quiescent or radicals. A quiescent says, 'Yes sir.' A radical opposes any solution. We are neither."

Despite frequent brushes with the law, the PPS seems to be holding its own financially. It is located in a fourth-floor suite of offices, replete with computer terminals and a telex machine, on Salah e-Din Street in East Jerusalem. It continues to provide its 50 subscribers with information on the territories by telephone. The agency has recently inaugurated an experimental service to supply the bulletin to a limited number of subscribers by telex. Kareen hopes to expand this service to many more local subscribers in about a month.

The agency also sends articles and data to papers in the Arab world and serves as a stringer for such media giants as the ABC and CBS television networks.

In addition to revenues from these activities, the PPS has received grants from the World Council of Churches and other philanthropic organizations. "With all those sources of income, we are managing to survive financially," says Abu Ayyash.

IN SEPARATE interviews, both Kareen and Abu Ayyash continually return to the PPS's role as a meeting place. "I believe in getting together," says Kareen. "I think that dialogue is the key word. The approach of the office is to help people to get to know each other."

Both men proudly note the help they extend to journalists writing stories on the West Bank and the interviews with Israelis they print in their publications. "We have interviewed Israeli leftists and doves," said Abu Ayyash, "including members of Mapam, the Citizens Rights Movement and Shinui. In this way, we opened a new avenue to the Palestinians. In order to understand the Israelis, we have to talk to them."

The agency's role in promoting political dialogue stems not only from policy, explains Kareen, but is almost natural. "As Palestinians, we

cannot be only professional, aloof from politics. In the same way, when Israelis and Palestinians meet, they cannot only discuss professional matters. After a while, they must get down to the main subject — politics."

KAREEN WAS right, for inevitably our discussions turned to Arab-Israeli politics. Although denying any financial or organizational links to the PLO, both men openly support this organization. "Every Palestinian in the occupied territories is in favour of the PLO," says Abu Ayyash. "The PLO represents the dream of restoring our national identity. Israelis make a mistake by not differentiating between passionate support of and membership in the PLO. If I say I am a Palestinian and want a state in the territories, I want to be free, to live in a democratic country, to have a passport, a flag — this does not mean I am a member of the PLO."

Both men support Arafat and see talks between him and Israeli leaders as the only road to peace. But Abu Ayyash says he could not ask Arafat to refrain from terror in order to promote the peace process. Arafat has already made many concessions, he claims, "putting him under fire from Palestinian radicals. He gambled his personal career. He told the PNC that we want peace and accept all the UN resolutions, not only 242 and 338, but all of them. Who can guarantee that Israel would give him something if he made more concessions?"

Neither man is optimistic about imminent progress in the peace process. (Abu Ayyash was interviewed before King Hussein's recent speech in which the monarch declared an end to the Jordanian-PLO peace initiative; Kareen, a day after the speech.) Kareen sees a possible stepped-up role for Egypt, now that Jordan has stepped aside. He insists there can be no substitute for the PLO in negotiations. "Those who speak for the Palestinians must enjoy the support of the overwhelming majority of the Palestinian people if we are to have an everlasting, just peace," he maintains. "We don't want a repeat of the Israel-Lebanon treaty."

Difficult missions require great leaders, Abu Ayyash concludes. "We need another Ben-Gurion in Israel, to demand talks with the PLO," he asserts.

and its strong acoustics. The same insensitivity is apparent in its musical approach. For the rather entertaining musical ideas in the Saint-Saens concerto, often bordering on circus music, Tsachor's interpretation might have been appropriate. In his encore, however, a highly romantic and emotionally sensitive Schumann piece his equally hard, inflexible and insensitive approach was not. Still the audience loved it all and received the young pianist with prolonged, hearty applause.

Only professional discipline kept me in my seat for the beautiful, but over-performed, Italian Symphony by Mendelssohn. Surprisingly, however, Avi Ostrovsky directed the performance with extreme drive and evocative gestures, and the symphony sparked as if it were being played for the first time, winning Ostrovsky's respect, and the Sinfonietta admiration for following so diligently the dynamic conductor's relentless demands.

Israeli premiere

MUSIC
Yohanan Boehm

ded by the score were often covered up by the orchestral accompaniment. Nor is orchestration the composer's strong point, and he might be induced, after hearing his work live, to introduce changes in the score. But it is heartwarming that, at seven, Alexander is still at work and writing about "Love and Expectation."

URIEL TSACHOR is a product of contemporary pianistic attitudes. He is in possession of impressive digital technique and physical stamina, and he applied it all despite the small hall

THE ISRAELI SINFONETTA, Beersheba, Avi Ostrovsky conducting with Lily Tunes, soprano Uriel Tsachor, piano (Conservatory Hall, Beersheba — February 23). Haim Alexander: Songs of Love & Expectation; Saint-Saens: Piano Concerto No. 2; Mendelssohn: Symphony No. 4 ("Italian").

A PREMIERE of an Israeli composition is always a special event. And, when written by a senior composer, the interest and expectation it awakens are that much greater.

Haim Alexander, a veteran teacher of composition, is, perhaps, still influenced more by theory than by emotional impulse. He says himself that his songs are based "on a series of tones, in a manner characteristic of the harmonic style of the contemporary French composer, Olivier Messiaen." Alexander's vocal line is rather tortuous, demanding from the singer a fine ear and precise intonation. Lily Tunes strove valiantly to do justice to her part. The lower register of her voice, however, is not her strong point, and the numerous low vocal notes deman-

Wood ashes are important for their high potassium content. Potassium is essential for potatoes, tomatoes and celery. In the flower garden it is important for all flowers grown from tubers and corns like dahlias and gladioli. Wood ashes are also rich in trace elements. Wood ashes spread on the compost heap will speed up the decaying process.

To conclude this discussion on organic gardening, we have the words of Gerard Smith, a British expert on the subject: "Let us forget the hundred years of error. We will build the soil anew and advance from where our grandparents laid down the fork for the fertilizer bag. This will bring us to health and happiness."

BACK TO NATURE

GARDENING / Walter Frankl

organic gardening has been the effects of man-made chemicals. People fear their carcinogenic potential and their destructive influence on birds and insects and other life forms. "Friends" like the ladybird and the praying mantis are killed together with damaging pests.

More and more gardeners are turning to old-time remedies for pests — nettle tea, soapy water, tobacco solutions. They plant insect-repelling *nasturtiums* and *marigolds* and garlic around their ornamental plants.

Organic options. The gardener can help to enrich the soil and encourage plant growth through a choice of means or through a combination of the following practices.

Green manure can be made by digging up weeds and then digging them under, along with grass clippings. The best items for green manure, however, are plants from the pea (leguminosae) family, like peas, beans, lupine, clover, alfalfa, etc. They can be sown as cover crops after digging and levelling the ground. Scatter the seeds evenly over the ground surface and work them in shallowly with a rake. After germination and a very brief growth period, they should be tilled back into the ground to provide nutrients for subsequent crops and to increase the soil's content of organic matter. Green manures are valuable sources of plant food and can be used for flower and vegetable beds, as well as in orchards or as soil enrichment before new lawns are planted.

Earthworms are a most useful ally for every gardener. They provide service. They drag dead leaves

into their tunnels and in doing so aerate the soil. They swallow the soil as they make their burrows, feeding on the organic matter in it and excrete soil-enriching casts where their holes reach the ground surface.

The worm is pointed at the front and blunt at the end and is made up of some 50 to 100 ring-like segments. It has four pairs of minute bristles, used for locomotion. The earthworm has no eyes or ears, but is quite sensitive to vibrations. After hibernating deep in the moist soil during winter, earthworms awaken now, come to the surface and renew their activity.

There are no males or female worms, all are hermaphrodites. At night when the atmosphere is moist, worms emerge from the ground, leaving the lower parts of their bodies well-anchored in the ground for security. They twist around each other and press their sexual organs together. This act takes a few seconds, but the worms seem to prefer remaining in this "embrace" for several hours. After some time they emit egg capsules, each containing 2-20 young worms. An earthworm produces an average of 4 capsules per month. The mortality of the offspring is high.

How to make an earthworm farm. Just now, after a few rainless days, you will find worms hidden on the damp ground under pine needles and fallen leaves. Prepare a container filled with half-ready compost and place all the worms you can collect on the surface of the compost. They will soon disappear, burrowing underground. They will grow and multiply and provide you with a "living fertilizer" for many seasons. Whenever you establish a new garden bed, take some soil with

earthworms from the container and work it into the new bed like manure.

Don't forget to feed your worms with discarded weeds or faded flowers and leafmould. There are hundreds of different species of earthworms in the world. According to American magazines, the best ones are red in colour.

Manure. The best and most common organic manures are cow, chicken and horse manure. All other animal manures are inferior in quality.

Chicken manure in concentrated form is too strong for plants and should be diluted in water before being used as a liquid fertilizer. The best solution is one litre of chicken manure to 10 litres of water.

Guano is bird manure imported from Peru; it contains valuable amounts of the three essential plant nutrients — phosphorus, nitrogen and potassium. It was used by the ancient Incas thousands of years ago.

Bone-meal, made from steamed and ground bones from slaughterhouses, is rich in phosphorus. Fish-meal and fish-emulsion (ground-up fish by-products) is rich in nitrogen and phosphorus.

Blood-meal, a powdery substance made from blood collected in slaughterhouses, is rich in nitrogen. Hoof- and horn-meal is used in organic gardening abroad. It is produced from slaughtered horned cattle and contains a high percentage of nitrogen.

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Spotlight on the debt crisis

Latin American debtors cannot meet repayments

PUNTA DEL ESTE, Uruguay (Reuters). - Latin American foreign and finance ministers gathered here last week to deliver their strongest warning yet to creditor nations on the region's foreign debt.

Friday's meeting, at a secluded hotel outside this beach resort, said clearly that falling oil and commodity prices had made it virtually impossible for the region's debtors to meet repayments on the \$370 billion they owe.

Mexico stands to lose \$5.3b. due to oil price cuts since January 1, while Argentina faces sharp drops in grain export income.

Latin America is seeking substantial interest rate cuts to compensate the losses, and according to Venezuelan Foreign Minister Simon Alberto Consalvi, "terrible risks" await the world financial system unless creditors respond.

"Whether Latin America hardens its position will depend on the response of creditor banks and whether industrial nations continue to impose trade protectionism on us," Consalvi told reporters in Caracas before leaving for the meeting.

Peru said last week it had repatriated all its gold and silver reserves in case banks grabbed its assets, as the region in general showed signs of getting tough on debt.

Presidents Raul Alfonsín of Argentina and Julio Sanguinetti of Uruguay last week issued a particu-

larly strong statement accusing the U.S. and Europe of jeopardizing the region's economic stability through unfair trade practices.

Argentina has been hard-hit by European Community grain import barriers and by U.S. legislation last December lowering the support level for American farmers.

Diplomatic sources said Latin America is likely to use the oil crisis as a lever to win concessions from industrial nations, while still relying on dialogue rather than confrontation.

The 20-month-old debtors' group has so far stopped short of imposing joint unilateral conditions on its creditors, and even now governments appear to be split on how far to go, they said.

Argentina's Economy Ministry has publicly backed an interest cap proposal, but Foreign Ministry officials would not confirm that any specific rate reduction had been decided.

Meanwhile Mexico, which meets bank creditors soon to decide whether any stopgap payments arrangement is possible on its \$97b. debt pulled back from a moratorium while calling on banks to do their part.

"Without a confrontational approach, the international community must now share the responsibilities," President Miguel de la Madrid told Mexicans last week.

Venezuela restructures

CARACAS, Venezuela (AP). - Venezuela, seeking to recover its financial reputation, signed an accord last week to refinance \$21.2 billion of its \$35b. foreign debt.

The agreement, signed at the Federal Reserve Bank office in New York, represented the biggest single financial commitment in Venezuelan history.

President Jaime Lusinchi, at his inauguration two years ago, said that his government would assure creditors that the country would honour its debts and repay them "to the last cent."

Opposition leaders have called the new accord daring and have urged the government to wait for stability in the shaken world oil market. Oil sales account for more than 90 per cent of Venezuela's export revenues.

"It is a reckless act to sign at a time of plunging oil prices," said Eduardo Fernandez, general secretary of the Social Christian Party, the largest opposition group.

Former president Carlos Andres Perez, a member of the ruling Democratic Action Party, warned that Venezuela is not in a position to repay the debts "without taking the country into restrictions of incalculable consequences."

But the government appears convinced it would lose advantages gained in the negotiating process if it waited.

Peru pulls reserves out of U.S. banks

LIMA (AP). - The government has withdrawn its reserves from U.S. banks to prevent the embargo of its funds, officials said last week.

Hector Neyra, general manager of the Central Reserve Bank, said the action intended "to prevent that arbitrary or abrupt attitudes of our creditors would affect the availability of our reserves."

President Alan Garcia caused concern among bankers when he announced in his inaugural address July 28 that he would dedicate only 10 per cent of export earnings to payments on the \$14 billion foreign debt. Some bankers feared that some larger debtors would do likewise, but none have.

In a radio interview, Neyra said Peru's international reserves of \$2.8b., including some \$700 million in gold and silver bars, are "already in the central bank safe."

Peru was given a 60-day extension on February 14 to pay to pay \$75m. in expired loans from the International Monetary Fund, or face the possibility of being declared ineligible to receive new aid from the organization. Garcia has refused to negotiate with the IMF.

According to the central bank, some \$3.3b. in debt interest and principal are due in 1986.

Garcia said recently that from August to December, Peru paid \$178m. on its debt to foreign lending agencies.

way of its Warsaw Pact ally, Romania, which has drastically cut imports and boosted exports at great social cost to reduce its debts to the West.

Poland's hard currency debt totaled \$29.3 billion at the end of 1985, and its per capita export level is one of the lowest in Europe. Poland was unable to meet rescheduled debt payments last year because of a falling trade surplus.

"We want the IMF to say (to creditors) OK, you should be able to deal with this country given the progress they have made."

He said the naira, which has lost a third of its official value in the last two years, could lose more soon.

"We will try to avoid a situation of outright devaluation, but allow the naira to compete with other currencies," he said without elaborating.

On the oil prices collapse, he was optimistic.

"Our view is that the huge drop in oil prices is temporary," he said. "We are optimistic our budget strategy can still be sustained."



All products leaving the Osem food plant in Bnei Brak are weighed automatically about 100 times as they move along the production belt. A computerized system installed by the Bolet company rejects a package even if it is only 0.2 gram over or underweight. (Yossi Dana)

CURRENCY MARKETS REVIEW

DM strongest as dollar emerges further weakened

Jerusalem Post Economic Staff

The dollar ended the week weaker against the major currencies, although it managed to recover somewhat on Friday. The Deutschmark was the strongest currency, gaining 2.9 per cent against the dollar. The Swiss franc gained 1.8 per cent and the Japanese yen was 1.15 per cent stronger. However, sterling was 0.9 per cent weaker, losing ground sharply on Friday.

The markets ignored economic data showing a large U.S. trade deficit in January as fears of central bank intervention to support the dollar surfaced. One report stated that the vice-president of the Federal Reserve Bank, Martin Preston, called for an emergency meeting of G-5 to prevent a further decline of the dollar.

Reports from Japan also indicated that members of the G-5 agreement will meet soon to discuss ways to stabilize foreign exchange rates.

The pound sterling has fallen, as the downturn in the oil markets continued. It reached the lowest level ever against the DM on Friday. The Canadian dollar fell sharply on

weak oil prices and negative Canadian budget news.

The dollar's reaction on Friday in the face of negative economic news indicated that a halt to its recent decline is very close. Some technical correction can be expected to emerge soon, so that extreme caution is necessary regarding short dollar positions. In fact, even if the dollar continues to decline, the strong support levels are 2.17-2.18 on the DM, 1.72-1.73 on the Swiss franc, and 1.77 on the Japanese yen. If these levels are touched, we expect the dollar to bounce sharply from them.

The market will be very shaky this week, as dealers expect intervention by central banks to stabilize the dollar.

Meanwhile, the U.S. bond market rose strongly last week, to close with very large gains. The key factors in this market's strength include falling oil prices and weak U.S. economic data.

Based on material supplied to The Jerusalem Post by the Dr. Boaz Barak Investment Advisory and Management Service.

9% price hike for carpets approved

By AVI TEMKIN

Post Economic Reporter

The Industry and Trade Ministry on Friday approved a 9 per cent increase in the price of carpets, the locally manufactured article with the highest customs protection. Carpets in Israel are manufactured by the Carmel Carpets monopoly owned by MK Avraham Shapira (Agudat Yis-

rael), the chairman of the Knesset Finance Committee.

The ministry said in recent months that it would approve price hikes of goods supplied by monopolies only after close study of the reasons for the requested hike. The ministry has stressed that it will permit competition by imported goods in some cases.

Norway orders world's largest oil drill rig

OSLO (AFP). - Statoil, the Norwegian State Oil Company, has ordered the world's largest off-shore oil platform from Norwegian contractors A/S Sea at Gullfaks Field in the North Sea.

The concrete base of the platform will cost \$350 million, and the whole platform will cost \$3.1 billion. It will be completed by 1989.

The base of the platform, the third and largest such installation for the Gullfaks Field, will contain 625,000 tons of concrete.

In bid to beat inflation Brazil introduces economic recovery programme

SAO PAULO (Reuters). - Brazil's sweeping new economic package has been greeted with hostility by unions but has won approval from bankers and businessmen.

For bankers and economists the programme, announced on Friday, is probably the government's last hope of defeating inflation, running at more than 250 per cent, while still allowing the economy to grow.

"Let's pray it works," said Finance Minister Dilson Funaro. "It's go or bust."

The package imposed a total freeze on prices, restrained wages and swept away a complex system of indexing of prices, contracts and loans that had been held responsible for perpetuating inflation.

It also replaced the cruzeiro with a new currency, the cruzado.

Bankers reacted warmly to the moves. "For the first time the government demonstrated it really intends to defeat inflation, which is something we have been pressing for," one foreign banker said.

But unions attacked the decision to adjust wages only annually, despite the granting of an immediate increase to all workers and a guarantee of further increases should prices rise 20 per cent.

"It is an attack on working people, because their salaries will fall," said Jair Meneguelli, president of the left-wing central workers group (CUT).

Bank workers have called an indefinite protest strike to begin today.

During the 11 months the new civilian government has ruled in Brazil, the economy has boomed, boasting one of the highest growth rates in the world last year.

Workers have enjoyed a sharp increase in purchasing power for the first time in years and unemployment has fallen, but the price paid in exchange has been continuing high inflation.

The government has rejected any pact with the IMF because it said the IMF's policies would bring recession.

But when price increases soared to a new peak of 255 per cent annually by the end of February, it was decided that drastic measures were needed.

"To continue blindly towards an inflation rate of 500 or 600 per cent would only lead to recession, unemployment and falling salaries," Funaro said.

The government says it expects monthly inflation to fall to zero in March from February's 14.4 per cent.

(See story - page 7)

'Joint' aiding Ethiopia

NEW YORK (JTA). - The American Jewish Joint Distribution Committee (JDC) has agreed to start an agricultural development project in Ethiopia.

Poland to rejoin IMF

Warsaw government will not draw on IMF standby credits if accompanying conditions are too stringent.

An IMF programme to slash state subsidies, raise prices and level out the country's balance of payments within three years could not be accepted for political and social

reasons, the sources said.

The ruling Communist Party has not forgotten that planned price rises have periodically provoked bloody protests in Poland and contributed to the fall of two party leaders.

Government sources said it was impossible for Poland to follow the

President Ibrahim Babangida:

Nigeria won't risk disruption at home to meet its external obligations

LAGOS (AFP). - Nigeria will discharge its external debt obligations, but not at the cost of economic disruption, President Ibrahim Babangida has said.

In an interview with the Financial Times of London, the 44-year-old major-general discussed a broad range of issues facing Africa's most populous nation.

"We are prepared to meet our legitimate obligations, domestic or foreign," he said. "But this cannot be at the expense of causing economic dislocation and crisis at home."

Caught between oil revenues that could halve those of last year and a

pressing debt repayment schedule, Nigeria has set a limit of 30 per cent of its foreign earnings aside for paying the debt. Experts predict that less than half the repayments due this year will be met.

Nigeria is seeking a rescheduling of its \$20-odd billion debt, but creditors say they will not agree to this unless Nigeria adopts stiff reforms including devaluation, proposed by the International Monetary Fund.

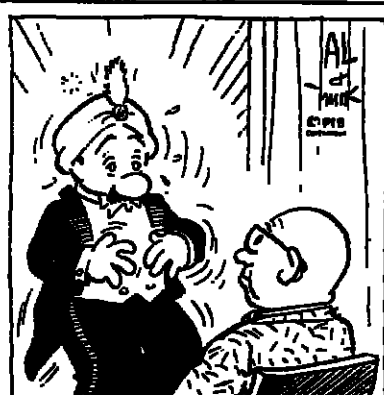
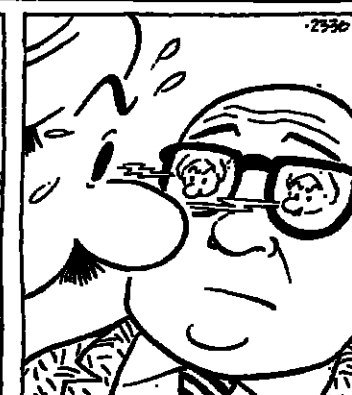
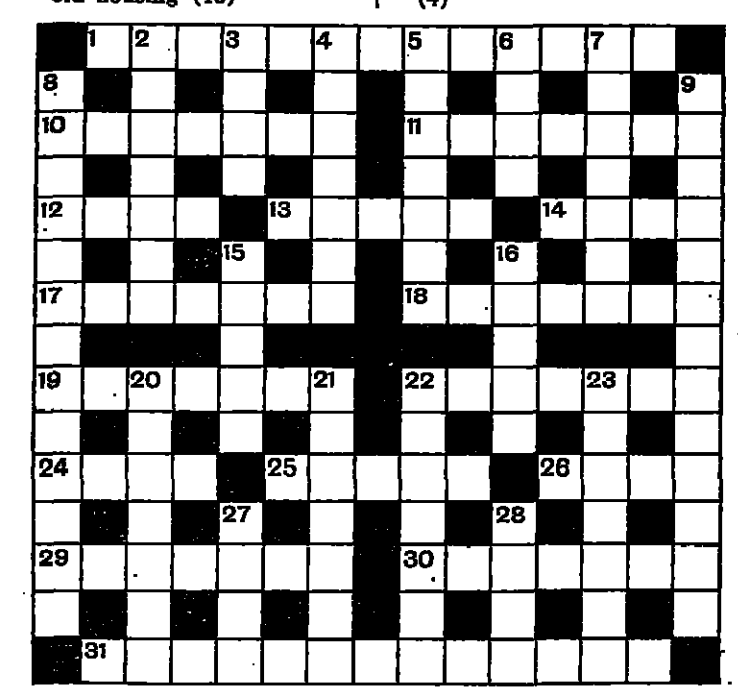
The president reiterated the hope that creditors will change their minds when they realize how serious Nigeria is about reforming its import-dependent economy.



Ibrahim Babangida (Reuters)

ONE-ON-ONE CROSSWORD

- ACROSS**
- 1 A girl's make-up (5, 3, 5)
 - 2 The main hazard in winter (7)
 - 3 A piece of kitchen equipment put outside to finish off (7)
 - 4 Thought almost perfect (4)
 - 5 The value of the property-set timer (5)
 - 6 Strike if note follows note (4)
 - 7 Maintains the estate about right (7)
 - 8 Sort of grass crop-top ears only may be used (7)
 - 9 A blazer one might get for Christmas (4, 3)
 - 10 Pole, not on the level but pompous (7)
 - 11 Stray animal with nothing inside it (4)
 - 12 A blackguard to be played with (5)
 - 13 Putting some searching questions is shrewd (4)
 - 14 Open when caught between two points while father's around (7)
 - 15 More liable to decline in the end (7)
 - 16 His digs may well be in old housing (13)
- DOWN**
- 1 Don't exercise so much—it's futile (7)
 - 2 The ones in suits (4)
 - 3 A port (large) is ordered (7)
 - 4 Undeterred by a sandbank in the river (7)
 - 5 Fastidious copper set on edge (4)
 - 6 Pitman the painter (7)
 - 7 An honour recognised by 1100 (8, 5)
 - 8 This area's fir-forests had to be utilised (13)
 - 9 Bore making a medical man sick (5)
 - 10 Rent a place in Yugoslavia (5)
 - 11 The pupil is left nearer collapse (7)
 - 12 Stupid people take in no Italian (7)
 - 13 Not many part with a pound (7)
 - 14 Rotate furrow for raising vegetables (7)
 - 15 A woman in politics—maybe the most influential (4)
 - 16 Put in a state of suspense (4)



GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Bayit Vegen, 59 Hapleza, 420750; Balam, Salah Eddin, 722315; Shufar, Shufar Road, 810108; Dar Alde-aw, Herod's Gate, 222058; Tel Aviv: Beni, 174 Dizengoff, 222386; Yehuda Hamaccabi, 42 Yehuda Hamaccabi, 465188; Netanya: Kupat Holim Clalit, 31 Brodetsky, 91123; Haifa: Meuhedet, 6 Simat Adit, 644231.

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics), Hadassah Ein Kerem (surgery, orthopedics, E.N.T., Misgav Ledach (obstetrics), Shaar Zedek (internal, ophthalmology); Tel Aviv: Rikah (pediatrics, internal, surgery); Netanya: Laniado (obstetrics, gynecology, internal, surgery, pediatrics).

FIRST AID

Magen David Adom emergency phone numbers (around the clock service).

Ashdod 41333 Ashkelon 23333 Bat Yam 561111 Beersheba 74767 Carmiel 988555 Dan Region 781111 Elat 7233 Hadera 22333 Haifa 512233 Herzliya 35333 Jolot 861133

Mobile Intensive Care Unit (MICU) service in the area around the clock. 101 Emergency phone number in most areas.

"Erwin" - Mental Health First Aid. Tel: Jerusalem 227171, Tel Aviv 261112, Haifa 672222, Beersheba 418111, Netanya 35316.

Rape Crisis Centre (24 hours), for help call Haifa 58791, Jerusalem 248119, Jerusalem - 248554, and Netanya 35316.

Jerusalem Institute for Drug Problems. Tel. 663828, 663902, 14 Bethlehem Rd.

Kupat Holim Information Centre Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 8 p.m. Fridays 8 a.m. to 3 p.m.

The National Poison Control Centre at Rambam Hospital, phone 04/529205, for emergency calls, 24 hours a day, for information in case of poisoning.

Tel Aviv: Dental Association clinic 49 Rehov Bar-Kochba, Friday: 8 p.m. to midnight; Saturday: 10 a.m. to 2 p.m.; 8 p.m. to 10 p.m. Tel. 03-284693.

Dental Clinic, 28 Rehov Ahimeir, Ramat Aviv/Gimel, Shabbat and holidays: 8 p.m. to 10 p.m. Weekday evenings: 4.30 - 10, Tel. 03-428332.

POLICE

Dial 100 in most parts of the country. In Tiberias dial 924444, Kiryat Shmona 4444.

FLIGHTS

24-Hours Flight Information Service: Call 03-9712984 (multi-line). Arrivals Only. (Taped Message) 03-971111 (20 lines)

DWELLINGS

JERUSALEM

APARTMENT NEEDED in Jerusalem for Pessah. Tel. 03-28385, evenings.

Canadian Intercontinental, Tel Aviv/Ramat Hasharon/Herzliya/Pithul, Luxury-housing specialists. Tel. 03-28622, Maida.

HERZLIYA

INHERZLIYA PITUAH, 5 bedrooms, exclusive villa for rent. "Moran". Tel. 052-72759.

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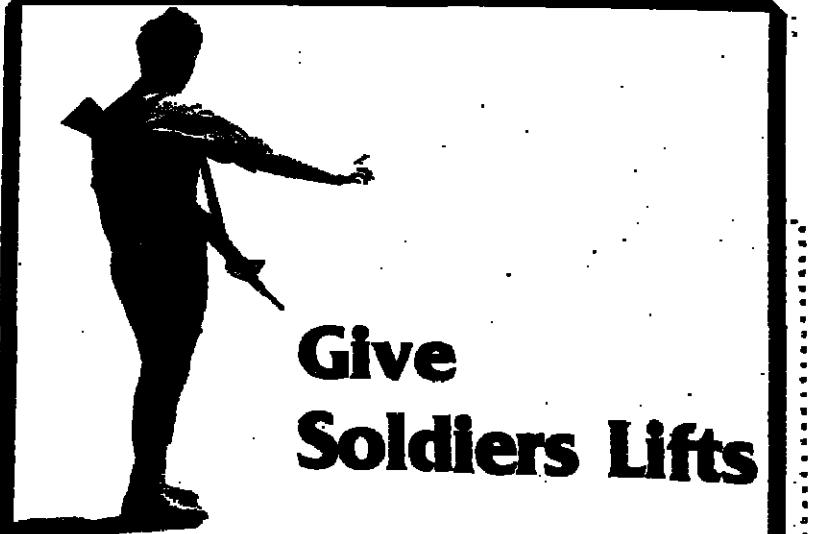
EXPERIENCED LADY will care for elderly, sick patients. Tel. 03-65667 811 p.m.

MISCELLANEOUS

I AM ORGANIZING nonprofit institute "Shadow Cabinet of the USSR." Scientists-volunteers should apply Dr. Y. Khaneles, Nabariya, P.O.B. 01089.

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150 אלף אלול

MARKET PLACE

Macabee Dean

On the misuse of euphemisms

An outstanding characteristic of Israeli society is the use of misleading euphemisms, or saying one thing and meaning something entirely different.

For example, the Histadrut does not "save a firm from collapse" by applying the vigorously condemned capitalist method of firing redundant workers and overhauling bloated management (while using the opportunity to pay off political debts by putting in its own men). Rather, the Histadrut "takes steps to nurse back to health" and rehabilitate a company. But the results are the same.

The police talk accusingly about a detainee "not cooperating with the police" — a first class Orwellian phrase — when they mean that the person in question is using his legal rights in refusing to incriminate himself.

And so it goes. The latest such euphemism is "economic growth." It has little to do with economic growth. This general term means adopting an export-oriented policy, involving investments (hopefully from abroad), building factories or expanding existing ones by finding workers willing to man the second and third shifts. It also involves marketing campaigns abroad, and an inflow of foreign currency earmarked to buy raw materials, not luxuries.

Economic growth today means establishing a sort of "salvation fund" to prevent the collapse of concerns which have run into grave, but temporary, financial problems due mainly to the strictures of the emergency economic programme initiated last July.

This emergency economic programme was aimed at stabilizing the economy for the benefit of all. It has no raison d'être if it turns out to be more destructive than constructive. If soaring inflation is replaced by soaring unemployment and the wholesale collapse of companies, the programme will destroy in a short time what has been built up over decades.

Another Israeli characteristic is the belief that history repeats itself. History, if the government does the printing presses again, this will again lead to runaway inflation. Perhaps we have learned something from the past. Moreover, what caused the printing presses to work full-blown in the past were two factors not often mentioned: the election campaigns and the Lebanon War. Both can be avoided in the future if the two major parties show a bit of maturity.

Printing enough money to save a few companies badly hit by circumstances is probably much cheaper than letting them collapse, throwing thousands out of work. If this happens, the government will have to print much more money to rebuild these industries in the future, and to pay unemployment compensation in the present.

Thus, it is best that the government find money — even if this means printing it.

Solel Boneh is a case in point. Some 2,500 of its 13,000 workers can be fired, and Solel Boneh will emerge stronger and better able to face the future.

The problem is what will happen to these 2,500 workers. A minority (i.e. Arab workers) will probably go back to their villages — no one will tolerate their demonstrations. The majority will find work elsewhere — possibly in the factories producing for export. For nobody else will go there.

Solel Boneh should not be allowed to fail; but it should be overhauled in the same fashion as El Al was. There was much talk a few years back about closing down El Al, whose workers had embarked on a vicious circle of exorbitant wage demands and strikes. El Al went into receivership and steps were taken to "rehabilitate" it, i.e., to fire redundant workers and overhaul management. Today, three years later, manpower in El Al has been cut by 40 per cent and management has been streamlined.

The result: approximately the same amount of passengers are flown, crews have rediscovered something called "politeness," and arrivals and departures are much closer to the times actually scheduled. The discharged workers all seem to have found work.

If anything needs overhauling in El Al today, it is the ban on Saturday flights, a ban which gives employment to the crews of foreign airlines while depriving Israelis of making a living.

Cuts will save country about \$150 million
Brazil wins easier terms
on bank debt rescheduling

NEW YORK (Reuters). — Brazil and its leading commercial bank creditors have agreed on a \$31 billion financial package that includes a substantial reduction in interest rates on part of the country's \$103b. debt, Citibank said yesterday.

The agreement calls for the interest rate on \$16.5b. of debt falling due in 1985 and 1986 to be lowered to 1% per cent over the average of the London Eurodollar rate from an average of about 2 per cent, a cut that will save Brazil some \$150 million.

Brazil's 700 creditor banks worldwide are also being asked to keep in place some \$15.5b. in trade and interbank credit lines for one year.

The proposed terms will be sent out to all the banks in the next few days, and contracts should be ready for signing by early June, Citibank said.

William Rhodes, a senior Citibank executive who chairs Brazil's 14-member bank advisory committee,

said the interest rate reduction reflects "significant progress by Brazil over the past few years on its external financial accounts."

Brazil, the developing world's largest debtor, chalked up trade surpluses of \$13.1b. in 1984 and \$12.4b. in 1985. It has also built up its foreign reserves to about \$9b. after ending 1983 in the red.

The accord was reached late Saturday after three weeks of intensive talks.

The dollar slipped below 70 U.S. cents before rebounding slightly on

U.S. crude oil
drops to \$13.25

NEW YORK (Reuters). — U.S. crude oil prices fell nearly a dollar a barrel on Friday, reaching levels not seen since 1978 in what dealers said was a reflection of the continued world oil glut.

The benchmark U.S. crude oil, West Texas Intermediate, fell nearly one dollar on the spot market to \$13.25 for April delivery.

The price is the lowest since January 1978, when U.S. oil was trading at about \$12.90 a barrel.

North Sea Brent crude was also sharply lower, with prices about 70 cents below Thursday's close here.

New budget blamed for fall in Canadian dollar

TORONTO (Reuters). — The Canadian dollar fell sharply for the second straight day Friday as traders registered their unhappiness with the government's new budget, which relies on tax increases to help reduce the deficit.

The dollar slipped below 70 U.S. cents before rebounding slightly on

intervention by Canada's central bank. It opened at 70.17 U.S. cents on North American markets, after overnight trading in Hongkong and London drove the currency to a low of 69.44.

Economists attributed the decline to deep disappointment in world money markets with the budget's emphasis on tax hikes.

STATISTICS MARKET

Indices:

General Share Index	105.54	-0.01%
Non-Bank Index	119.48	+0.28%
Arrangement	99.27	-0.16%
Insurance	129.62	+1.51%
Commerce, Services	116.95	+1.40%
Real Estate	137.72	-0.01%
Industrials	114.40	+0.29%
Textiles	130.28	+0.02%
Metals	117.23	+2.47%
Electronics	96.63	-0.63%
Chemicals	112.81	-0.12%
Industrial Invest.	122.86	+0.40%
Investment Cos.	128.52	+0.45%
General Bond Index	97.84	+0.31%
Index-linked Bonds	98.11	+0.20%
Fully-linked	98.36	+0.43%
Partially-linked	97.32	+0.07%
Dollar-linked Bonds	95.88	+0.02%
Short-term 0-2 yrs	98.06	+0.11%
Medium-term 2-5 yrs	97.90	+0.15%
Long-term 5+ yrs	96.44	+0.31%

Turnovers:

Shares - total	NIS 10,081,700
Arrangement	NIS 1,948,400
Non-bank	NIS 8,143,300
Bonds - total	NIS 4,630,800
Index-linked	NIS 2,513,800
Dollar-linked	NIS 2,116,800
Treasury Bills	NIS 346,200

Share Movements:

Advances	179 (199)
of which 5% +	63 (64)
"buyers only"	21 (20)
Declines	92 (71)
of which 5% +	14 (14)
"sellers only"	7 (3)
Unchanged	120 (123)
Trading Halt	50 (51)

Bond Market Trends:

Index-linked	Mixed to 2%
3% fully-linked	Mixed to 2%

4.25% fully-linked	Mixed to 3%
80% linked	Mixed to 3%
90% linked	Stable
Double-linked	Stable/mixed to 1%
Dollar-linked	Rises to 0.5%
Admon	Stable/rises to 1%
Ritmon	Rises to 1%
Gilboa	Rises to 1%
For. Curr. denominated	Rises to 1%
Treasury Bills (monthly yield)	1.54% to 1.85%

Arrangement yields:

IDB ord.	13.86%
Union 0.1	13.35%
Discount A	14.08%
Italian Liba	13.98%
Mizrahi r.	14.05%
Hapoalim r.	13.43%
General A	13.61%
Leumi stock	12.17%

SELECTED PRICE QUOTATIONS

Name	Price	Volume	%	Name	Price	Volume	%
Commercial Banks							
Meir Ezra	3554	b.o.1	+5.0	Elron	332151	22	-1.0
Supersol 2	4400	874	—	Arik	41000	173	+3.8
Dalim	4195	5150	—	Clal Electronics	2895	3220	—
Lightage	9150	373	+8.3	Spectronix 1	1807	1537	+0.4
Cold Storage	849	—	+4.9	T.A.T. 1	3827	581	+10.0
Dan Hotels	3710	416	—	Adkinstein 1	1315	1312	+1.1
Yarden Hotel	2051	257	—	Asim 5	1893	930	+2.1
Hilon 1	9570	172	—	Alliance	979	930	+2.1
Team 1	1620	544	-1.2	Dexter	3735	305	+8.5
Real Estate, Building and Agriculture							
Azorim	3790	5038	+2.4	Fertilisers	10027	22	-0.2
Elion	1117	823	+0.1	Haifa Chem.	907	273	—
Africa Int. 0.1	37800	281	-3.1	Teva	9060	206	—
Dankin	3250	2897	-3.0	Dead Sea r.	13856	1807	—
Prop. & Bldg.	2570	1950	—	Petrochem.	374	18740	-2.6
Bayada 0.1	3745	358	—	Neca Chem.	3230	s.o.1	-5.0
ILDC r.	38000	240	-0.8	Frutaron	8060	59	+4.8
Rassco r.	3988	809	+15.0	Hedera Paper	155500	59	+1.6
Mehadrin	11580	159	-4.5	Central Trade	620	821	—
Hadarim	1048	438	-10.0	Koor p.	536080	1	+4.9
Industrials							
Dubek b	2860	808	+2.1	Clal Inds.	1425	22579	—
Pr-Ze 1	3757	s.o.1	-5.0	Investment Companies			
Sunfrost	5190	358	—	IDB Dev. r.	3365	4679	—
Elita	525	6123	+5.0	Elion	2240	1858	—
Argaman r	6820	57	—	Arik 1	800	10089	+5.1
Delta G 1	4220	750	—	Gehalet	1340	55	—
Maquette 1	18900	b.o.1	+5.0	Israel Corp. 1	7037	389	+2.2
Eagle 1	11830	235	—	Wolfson 1 r	61500	3024	+2.5
Poleg 0.1	8510	611	-2.2	Hapoalim Inv.	5315	3024	—
Schoellerline	13150	75	—	Leumi Invest.	5345	1890	+1.7
Rogosin	2900	670	—	Discount Invest.	2205	7735	—
Urban 0.1 r	13000	485	—	Mizrahi Invest.	8216	177	+5.0
Is. Can Co. 1	988	7894	—	Clal 10	2517	2759	—
Zion Cables	2190	1350	—	Landeco 0.1	6890	25	+0.2
Peckar Steel	4890	307	+4.6	Pama 0.1	7450	180	-5.1
Elbit 3 r	380000	16	-2.0	Oil Exploration			
Abbreviations: s.o. sellers only; b.o. buyers only; r registered							

FINANCIAL DATA:
ISRAEL, EUROPE, U.S.

Israel Money Markets March 2, 1986

SHEKEL INTEREST RATES

PRIME BORROWING RATE: 1.75% per month
Unlinked Deposit (Annual Rates)

	LAST UPDATED	TAPAS	PAKAM 7-DAY	PAKAM 30-DAY
LEUMI	27.2	8-18%	7-17%	8-18%
HAPOALIM	20.2	8-18%	13-17%	13-17%
DISCOUNT	20.2	10-18%	10-18%	12-18%
MIZRAHI	18.2	12-18%	12-20%	12-18%
FIRST INT'L	20.2	8-18%	8-18%	8-18%

Rates vary according to size of deposit.
(Tapes: demand deposit paying daily interest.
Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH — FOREIGN CURRENCY DEPOSIT RATES (as of March 2)

	3-MONTHS	6-MONTHS	12-MONTHS
USD	—	—	—
STG	—	—	—
DMK	—	—	—
SFR	—	—	—
YEN	—	—	—

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES

COUNTRY	CURRENCY	CHEQUES AND TRANSACTIONS	BANKNOTES	BANK OF ISRAEL Representative Rates
U.S.A.	DOLLAR	1.4659, 1.4841	1.44, 1.50	1.4766
GREAT BRITAIN	STERLING	2.1461, 2.1727	2.10, 2.19	2.1646
GERMANY	MARK	0.6603, 0.6686	0.65, 0.68	0.6648
FRANCE	FRANC	0.2146, 0.2172	0.21, 0.22	0.2151
HOLLAND	GULDEN	0.5943, 0.5915	0.57, 0.60	0.5885
SWITZERLAND	FRANC	0.7818, 0.7915	0.77, 0.80	0.7871
SWEDEN	KRONA	0.2047, 0.2072	0.20, 0.21	0.2061
NORWAY	KRONE	0.2101, 0.2128	0.21, 0.22	0.2117
DENMARK	KRONE	0.1788, 0.1810	0.18, 0.19	0.1789
FINLAND	MARK	0.1280, 0.1292	0.28, 0.30	0.2912
CANADA	DOLLAR	1.0273, 1.0400	1.01, 1.05	1.0348
AUSTRALIA	DOLLAR	1.0232, 1.0359	0.96, 1.06	1.0310
SOUTH AFRICA	RAND	0.7388, 0.7480	0.69, 0.76	0.7439
BELGIUM	FRANC	0.3222, 0.3262	0.31, 0.33	0.3246
ITALY	SCHILLING	0.8394, 0.8510	0.82, 0.88	0.8460
JAPAN	YEN	0.3689, 0.3809	0.35, 0.40	0.3756
JORDAN	DINAR	0.8130, 0.8231	0.80, 0.83	0.8187
EGYPT	POUND	—	4.03, 4.28	3.9942
			0.80, 0.85	0.8675

SUPPLIED BY BANK LEUMI

European Financial Markets

Precious Metals

GOLD:	LONDON	A.M. FIX	338.25	P.M. FIX	338.15
SILVER:	PARIS	NOON FIX	340.63	ZURICH P.M.	338.25
PLATINUM:	LONDON	FIX	577.00		
PALLADIUM:	LONDON	P.M.	396.75		
		P.M.	107.00		

FOREIGN CURRENCY CROSS RATES (London 15.30GMT)

Forward Rates	SPOT	3 MTN	6 MTN	12 MTN
POUND STERLING	1.4815/25	107/104	159/153	270/266
DEUTSCHE MARK	2.2190/10	129/124	167/162	360/356
SWISS FRANC	1.6730/80	130/122	190/182	375/360
DUTCH GULDEN	2.5070/80	84/80	124/119	251/243
FRENCH FRANC	8.8250/60	750/800	1150/1225	1850/1960
JAPANESE YEN	179.75/85	68/65	183/178	183/178
ITALIAN LIRA	1512.50/60	2925/3050	4050/4225	7150/7350
BELGIAN FRANC	45.450/480	18/21	22/28	31/36
HONGKONG DOLLAR	—	—	—	—
SINGAPORE DOLLAR	—	—	—	—
NEW ZEALAND DOLLAR	—	—	—	—
AUSTRALIAN DOLLAR	—	—	—	—
SWEDISH KRONA	—	—	—	—
NORWEGIAN KRONA	—	—	—	—
DANISH KRONA	—	—	—	—

Formula for determining forward rates:
High/Low (e.g. 22/20) — deduct from spot price.
Low/High (e.g. 21/22) — add to spot price.

New York Financial Markets

WALL STREET Closing Prices

Dow Jones Indices	1,709.06	-4.93	NYSE Highest Volume	22%	+1%
IND	792.26	+0.83	ATT	17%	+%
TRANS	185.83	+0.51	BANKAMER	40%	+%
UTILS	130.74	+0.19	CHESSBGR	17%	+%
NYSE COMP	359.53	+1.47	EAST AIR	9%	-%
NASD COMP	257.35	+1.58	EMD KODAK	150%	-%
AMEX INDEX	10	+	IBM	15%	+%
WESTN AIR	19	+	OHIO ED	15%	+%
U CARB W	10	+	PFIZER	55%	+3%
Statistics					
NYSE	VOL. 181,676,200	STOCKS UP 1,051	DOWN 684		
NASDAQ	VOL. 124,743,200	STOCKS UP 1,219	DOWN 822		

Comment:

WALL STREET STOCKS MIXED IN HEAVY TRADING (February 28). — Stocks were mixed in heavy trading, as volume topped 180 million shares with more than an hour to go. Secondary issues remained higher, and blue chips, led by weaker IBM, remained mildly depressed after topping the 1700 level of the Dow Industrials at Thursday's close. Stocks were underpinned by recent declines in interest rates and oil prices. The Dow Jones Industrial Average was down two at 1712. It was trading as high as 1720 earlier. Advances led declines five to three.

ISRAELI STOCKS Traded in New York:

NYSE and ASE	Last	Prev. Close	High	Low	Vol ('00s)
Alliance	1%	1%	1%	1%	1
Am In Pap	10	9%	10	9%	76
Ampal	2%	2%	2%	2%	3
Eladint	2%	3	3	2%	211
Etz Lavud	12%	12%	12%	12%	17
Laser Inds	12%	13	13%	12%	79

THE JERUSALEM POST

Ar Rah
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Founded in 1932 by GERSHON AGRON, who was Editor until 1955. Editor 1955-1974
TED LURIE, Editor 1974-1975. LEA BEN DOR, EDITORIAL OFFICES AND
ADMINISTRATION The Jerusalem Post Building, Ramat, Jerusalem P.O. Box 81
(0100) Telephone 531616. Telex 24121. TEL AVIV 11 Rehov, Carlsbad, P.O. Box 20126
(01201) Telephone 24222. HAIFA 16 Rehov, Nordau, P.O. Box 4810
(04747) Telephone 645444. Published daily, except Saturdays, in Jerusalem, Israel by The
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Time to choose

THE FOUL MURDER of Zaafer al-Masri, Nablus's appointed mayor, by terrorist agents of Palestinian rejectionism yesterday morning poses an obvious challenge to the people of the West Bank and the Gaza District.

Will they pick the challenge up by pressing for the formation of a sensible new leadership that would opt for realistic policies of compromise which could over time end their state of occupation, or will they bow to the physical threats of foreign-based gangsters who view them as cannon fodder for their megalomaniac dreams of Israel's extinction? The time for decision is running out.

The need for the West Bankers and Gazans to rethink their old allegiances has been stressed during the past few days by King Hussein himself. Having given up on Yasser Arafat as a peace partner, the Hashemite ruler has now gone a step further by openly questioning the right of the PLO's present power-mad leadership to be recognized as the sole legitimate representative of the Palestinians.

In an interview published in the Kuwait newspaper *Al-Siyassa*, Hussein called on Palestinians in and outside the territories to set up a new leadership that would join him in the quest of peace.

West Bankers and Gazans who refuse to accept Hussein's characterization of Arafat, might change their minds by reading the interview by the Fatah chieftain just published in the Egyptian weekly *Akher Sa'a*. Endorsement of Resolutions 242 and 338, says Arafat, is treachery. The PLO's slogan remains, victory or death. And armed resistance inside the territories will not cease.

Whether he meant every word of it or not, that is still Arafat's message today. With leaders like him, Palestinians may not need enemies.

What Arafat appears momentarily to have forgotten is that "armed resistance" is not his exclusive monopoly, and lends itself to more than one interpretation. This had already been proved in the assassination of his friend, Hebron's ex-mayor Fahd Kawasme, and again yesterday in the killing of Zaafer al-Masri. Al-Masri, member of a distinguished Nablus family, took the post offered to him by the Israeli civil administration two months ago not only by arrangement with Jordan, but with the tacit consent of the PLO. In doing so he made it clear that his assumption of office had nothing to do with the peace process; and he even turned thumbs down in public on Mr. Pere's proposal for devolution of municipal functions in the West Bank. He needed no more powers than he already possessed, al-Masri said.

This didn't help him, nor Arafat. Yesterday's "barbaric act," as Bethlehem's mayor Elias Freij termed it, whether perpetrated by Abu Nidal's men or by George Habash's or someone else's, was aimed as much at Arafat as at Hussein and Israel. Yet the PLO chairman can hardly wash his hands clean. His disagreement with Dr. Habash, let alone with Abu Nidal, may be rather more than tactical. But he is, at best, too indecisive to draw the line clearly and unambiguously. Which is why Hussein threw the bill of divorce at him.

It is plainly for the Palestinians to decide whether to let themselves be terrorized out of seeking peace, or to stand up for their right to life and the pursuit of happiness.

Labour's dilemma

THE ANTI-ROTATION drive within the Labour Party is gaining momentum.

First, 100 members of Labour's central committee signed a plea that cannot be refused last Thursday for a meeting of the key party body in two weeks time to vote on a motion for the disbandment of the national unity government and the holding of new elections. Then, the political leadership of the influential Labour-affiliated United Kibbutz Movement agreed that the time had come to disband the government, and called for a formal decision of the movement to that effect.

Disband the government, why? Plainly, because if the premiership rotates to the Likud next October, Labour will be left holding the bag for the hardships of the two-year initial economic retrenchment, while the Likud will be able to resume its notorious free-spending, yet refuse to bail out Histadrut institutions that had come to the verge of bankruptcy as a result of the general belt-tightening. And because the Likud will then wield even greater power than it does today to block any peace effort with Israel's Arab neighbours in the name of Greater Eretz Yisrael.

And because the Likud, being under no obligation to hand the reins of government in another two years to the Alignment, might trigger a government crisis in its own good time - if, that is, it did not bank on the natural advantage enjoyed by a party holding the premiership.

Premier Shimon Peres has never officially endorsed this reasoning for a breakup of the government now. But in an address over the weekend at Beit Berl he warned that the rotation would only be carried out by the Labour Party if the Likud for its part proved loyal to the provisions for peace, diplomacy and economic revival in the coalition agreement, meaning in the basic policy guidelines.

But these provisions are bundles of contradictions which alone made it possible for the two highly disunited major parties to join in a single administration. Only the loss of a major national opportunity, due to Likud obstructionism, could warrant a violation of the agreement by the Labour Alignment.

At the moment there are no overwhelming peace and economy issues that would, in the opinion of even a large minority of the electorate, justify the Alignment's reneging on the commitment to rotation, and the holding of expensive new - however, for once, quick - Knesset elections. Since the Likud consented to arbitrate Taba, there have been no Arab peace initiatives that might be spiked by it. And the Alignment would have to spend all its election campaign fund to persuade the populace that the Likud's objection to the setting up of a special ministerial committee on economic growth, headed by Mr. Peres, was cause enough to break the government up even before the economy had been safely placed on an even keel.

The Likud, on the other hand, could safely place all its bets on one single argument: that the Alignment, having cynically broken a gentleman's agreement to rotate the premiership, was unfit to lead a nation reared on moral integrity.

Labour clearly has a serious dilemma. To break the agreement would not be illegal. But, under the circumstances, it would be a prescription for electoral defeat. Or perhaps for the immediate reconstitution of the government, with the aid of the religious parties under the Likud.

PROJECT RENEWAL has made a significant contribution to narrowing the gaps in services and opportunities that separated the residents of Israel's depressed neighbourhoods from the rest of society. But has it been able to bridge the chasm of bitterness and alienation that has divided them from the establishment for so many years?

Israel's social and ethnic gap had been a troubling reality for at least 25 years before Project Renewal was launched in 1977. It had become more painfully visible in the early 1970s, as many Oriental immigrants and their children were left behind in their run-down and deteriorating neighbourhoods, while the rest of society moved to the suburbs or otherwise advanced to a higher standard of living.

The conventional wisdom, propagated by many in the establishment, held that those left behind suffered from the residual effects of the backward conditions in their native countries or from the traumatic dislocations of the mass immigration in the 1950s and 1960s. According to this view, the social or ethnic gap was basically an "imported" product; it would eventually fade away as the government could afford to provide better housing and educational and social services to the disadvantaged. Project Renewal, a joint effort by the government and Diaspora Jewry, acting through the Jewish Agency, would speed up this process with an infusion of hundreds of millions of dollars for improved housing and services.

Although there are more than a few grains of truth in this view, there is also considerable evidence to support the counter-argument that a significant part of the social or ethnic gap has been "made in Israel" by the policies and attitudes of the establishment. For example, in many of the towns built for new immigrants in outlying areas during the '50s and '60s, the size and quality of flats reflected austere economic conditions, but there is no reason other than neglect by the authorities that areas were left for years in a raw or unfinished state - no paved roads, proper lighting, sewage or other basic amenities.

Furthermore, areas with a high proportion of culturally deprived and needy residents were always short-changed in social and cultural services and the public buildings needed to house them. The authorities aggravated this by using these neighbourhoods as dumping grounds for welfare cases and other "undesirables."

Deterioration was rapid, due to a combination of factors. The residents did not know how to organize housing maintenance committees, and the authorities did not invest enough in the community work required to teach them. The residents had little incentive for upkeep since most of the flats were rented at highly subsidized rates. Maintenance was neglected by the Jewish Agency and by the government public-housing companies that owned the buildings, which in any case produced little income. It proved true that "services for the poor are poor services."

EDUCATION was always viewed by the establishment as the key to bringing the children of the Oriental immigrants gradually up to the level of those whose parents had European backgrounds. By the late 1970s, though, the record was mixed. The children of Middle Eastern backgrounds stayed in school longer than before, but the gap in

achievement levels between the two groups was still considerable.

In part, this gap could be explained by the residual effects of cultural background, but other factors pointed towards neglect by the establishment. One study showed that extra teaching and auxiliary resources provided by the Education Ministry to help schools in disadvantaged areas had somehow found their way into schools in better-off areas. Schools in disadvantaged areas were poorly equipped and maintained and suffered from high teacher turnover and a high proportion of inexperienced teachers. Pupils who could have done better and gone farther in their studies were held back by the poor schools. Their parents, aware that their children's potential was being wasted, could do little but seethe in bitterness; parent involvement in school life was generally discouraged by the authorities, who took the attitude that "we know what's best."

Tens of thousands of families who were not welfare cases and who could have developed their potential in more favourable surroundings were financially trapped in areas that became stigmatized as "slums." With their low incomes and low educational levels, they were dependent on the authorities for many of their basic needs.

'Areas with a high proportion of culturally deprived and needy residents were always short-changed'

This stifled initiative and eventually bred despair and cynicism when the authorities could not live up to unrealistic expectations their promises helped to create. Neglect, misguided policies, arrogance, and bureaucratic inertia contributed to the creation and perpetuation of the social gap. A paradox emerged over the years: those in greatest need were often left out or overlooked, as Israel's welfare state expanded and improved its services.

To what extent, then, could we expect the establishment, which had caused part of the problem, to provide the solutions? Those who had a hand in shaping Project Renewal were troubled by this question, but political and institutional realities prevented them from dealing with it on a fundamental level. But some of the project's political leaders and top administrators did what they could to change the establishment on a piecemeal basis while aiming for the main goal of rehabilitating Israel's depressed areas.

Project Renewal has now completed the bulk of its task in most of the 82 neighbourhoods and towns that were included up to 1983, and has spent roughly \$650 million on physical and social improvements affecting about 450,000 people. Another 40 or so areas with 150,000 residents were to be brought into the project, but it is not clear when this will be or where the money will be found for it.

The project's record in improving physical conditions, services and opportunities for neighbourhood residents has been documented in previous reports in *The Jerusalem Post*. Here we can examine to what extent the establishment is still "part of the problem."

In 1978 a special coordinating and planning body for Project Renewal was set up under the late Prof. Yigael Yadin, then deputy prime

CHARLES HOFFMAN

minister, along with a Social Policy Team. The latter's job was to undertake a critical examination of policies for the disadvantaged in certain fields and to propose new approaches.

The implementation of renewal programmes, though, was to remain in the hands of the government ministries and other agencies that had always operated in the depressed neighbourhoods. Programmes funded by contributions from Diaspora Jewry were to be carried out by the Jewish Agency Renewal Department, a new unit set up specially for the purpose.

Not surprisingly, support and initiatives for new approaches and for giving neighbourhood residents a greater say in planning and management came from the newly-created bodies - the Social Policy Team and the Jewish Agency Renewal Department. The ministries sought to preserve the status quo and minimize resident influence. There were, however, some important exceptions to this pattern.

FROM THE ministries point of view, a lack of enthusiasm for change is understandable. No one likes to admit that the programmes

have been ineffective, or that their service delivery systems were inadequate. Nor is it hard to see why the ministries would not be interested in having "upstarts" in Yadin's office or the Agency "meddle" in their affairs and tell them what they should be doing.

The approach of most ministries was that Project Renewal was welcome mainly because it provided additional funds to do what they had always been doing - in short, more money for "more of the same."

In some areas, such as community organization, care for the aged and early childhood education, more of the same could accomplish quite a bit. But in other spheres such as the rehabilitation of delinquent youth and problematic families, or the maintenance of public housing, more of the same would fall well short of the mark.

The government renewal coordinator and head of the Social Policy Team, Hagit Hovav, has said: "Through Project Renewal, the relations between the residents and the establishment have come to change; but both sides have to change, not just one. First to change have been the residents. Now it is up to the establishment to change, to be less defensive and to display a greater willingness to learn. We cannot go on with 'more of the same.'"

One area where a major effort was made to change the relations between the establishment and the residents was the creation of local steering committees (LSCs). Composed of an equal number of residents and officials, and chaired by the head of the local authority, these neighbourhood committees were given the authority to plan local renewal programmes and establish budgetary priorities, subject to the approval of the national project management, which was usually given.

"It would seem that Project Renewal has, in almost all the neighbourhoods, helped a local leadership group to participate meaningfully in decision-making and planning," according to the International Evaluation Committee for Project Renewal, set up by the government and the Jewish Agency. It adds: "The project helped to expand the active group of residents by creating positions of leadership on the local steering committees and their subcommittees and by encouraging the development of block committees, and neighbourhood councils."

THE ANNUAL planning, evaluation and budgeting process carried out in the LSCs and their subcommittees introduced a level of government accountability that was simply unheard of before Project Renewal. Prior to it, neither ministry nor local officials were expected to provide a detailed annual accounting for programmes undertaken and money spent.

This system was often undermined, however, by periodic government budget cuts and freezes, shortfalls in fund-raising among Diaspora communities, and the slippery process of budget displacement. The latter refers to the practice, followed by local government and the ministries, and abetted at times by the Jewish Agency, of using special Renewal budgets to pay for programmes that were operating before the project. The "displaced" funds in the ministry and local budgets were then freed for other purposes, which had the effect of reducing the net gains in services to the neighbourhoods through the project.

Project Renewal also promoted resident participation in tenants' committees, parent groups in schools, volunteer groups and similar activities. This helped many residents to overcome apathy and cynicism and to develop a sense of responsibility for the future of their neighbourhood and a sense of effectiveness in dealing with officials.

This happened, the evaluation committee noted, despite the lack of cooperation from certain ministries represented on the LSCs and despite the tendency at the outset of the project for many officials and the heads of local authorities to manipulate the work of the LSCs in the directions they wanted.

The influence of the residents grew as they became more experienced and knowledgeable about committee work and gained confidence in dealing with experts. Courses for resident activists provided by the Jewish Agency and coaching by local community workers, employed by the Ministry of Labour and Social Affairs, also helped.

The first government renewal coordinator, Daniel Shimshoni, reflected ruefully several years into the project that it would have been a good idea for government officials to take courses too - in the theory and practice of grass-roots participation.

The "twinning" arrangements - whereby a Diaspora community or cluster of communities is linked to a particular renewal area and funds programmes there - also boosted the residents' standing and influence vis-à-vis the establishment in many cases. Representatives of the Diaspora "twin" usually offered support in the frequent bureaucratic wrangles and used their connections in high places to help cut through red tape.

IN MOST of the social programmes and physical projects undertaken the "more of the same" approach prevailed, as noted by the International Evaluation Committee:

"The expectation that the implementation of programmes through government ministries and municipal departments would serve as a stimulus for change in these organizations and help them develop new ways of coping with the problems of social deprivation were, on the whole, not borne out."

"There are some notable examples of learning which occurred in some municipalities and government departments and which may well outlive Project Renewal. [But] on the whole the project was not integrated into the mainstream of activities and not utilized by the agencies operating it as an opportunity to rethink structures and programmes and to develop new approaches to poverty and social gaps. Consequently, the role played by the different ministries in providing technical assistance for the local steering committees was less than had been hoped for."

The evaluation committee singled out the Education Ministry for criticism in its failure to "meet the chal-

lenge of transforming a myriad of individual programmes [funded by the project] into a coherent effort to enhance educational achievement. So far the Ministry of Education has not taken full advantage of the opportunities provided by Project Renewal to develop new approaches to problems of educational gaps and deprivation."

Some ministries and agencies did respond to the opportunity and the stimulus provided by Project Renewal. Some of the most notable of these efforts, in terms of positive impact or potential, have been the following:

□ Housing Ministry programmes for enlargements and external renovations of flats, based on resident initiative and responsibility. This constitutes a reversal of the previous maintenance policies that contributed so much to neighbourhood deterioration, and which were still followed by the ministry during the first phase of the project.

□ Neighbourhood outreach workers, deployed by the Ministry of Labour and Social Affairs, helped direct residents to opportunities for job training and occupational advancement.

□ The "18-plus" rehabilitation programme for young men who might drift into crime or join the ranks of the "unemployables." The Social Policy Team initiated this programme, but it required cooperation from several ministries and agencies.

□ Intensive treatment of basic learning problems. This comprehensive programme, introduced in several schools in the south, focuses on retraining teachers and introducing new instructional methods. It is directed by Prof. Yosef Bashi of the Hebrew University and the Van Leer Jerusalem Institute and is funded by the Jewish Agency.

□ A new approach to "marginal youth" (teenagers neither working nor studying), now being developed by the Social Policy Team and the Ministry of Labour and Social Affairs.

□ The willingness of community centres (*mainasim*) to adapt to the special conditions of the project and to take on new roles such as neighbourhood social service centres. The *mainasim* are also planning for the central role they will play in the neighbourhoods after the project winds down.

□ The two directors of the Jewish Agency Renewal Department, Yehiel Admoni and Gideon Wikton, have utilized their backgrounds in regional planning to identify gaps in the project and have used their department as a catalyst to stimulate innovation by those with expertise in the appropriate fields. For example, a vocational training programme organized in the Negev redirected priorities and coordinated resources of various governmental and public institutions.

The holistic planning perspective has also been behind the department's push for economic investment in development towns and its proposals for new ways to promote the social and physical integration of small renewal towns into their surroundings.

PROJECT RENEWAL may not have stimulated fundamental changes in the establishment, but it has had a positive impact on how the authorities view disadvantaged neighbourhoods and how they deal with the people there.

The gains made in the last six years or so, since the project started to get moving, are still tenuous, however, and are largely confined to the neighbourhoods and to some of the agencies and governmental units closely involved in the project. Much remains to be done to ensure that new forms of grass-roots participation, self-help programmes and other achievements will be acknowledged and absorbed by wider circles in the establishment.

The author is a member of the editorial staff of *The Jerusalem Post*. This article is based on excerpts from his forthcoming book, *Project Renewal: Community and Change in Israel*, published by the Jewish Agency for Israel.

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